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ABSTRACT

This document summarizes the changes to the Job Training Partnership Act (JTPA) sought by the Amendments of 1990 (H.R. 2039) and provides a line-by-line analysis of the proposed legislation. H.R. 2039 proposes to enhance the employment and training services delivered under the JTPA by targeting the least job-ready clients for job training services while creating a new year-round job training component for at-risk youth. Some of the major provisions of the proposed amendments are the following: (1) establishing a separate program under Title II-A for adults (over age 22) and older workers (55 and older); (2) changing state set-aside amounts; (3) retaining existing performance standards for adults and youth; (4) requiring assessment of participants' skill levels; (5) requiring on-the-job training to be of sufficient duration for workers to learn skills, but not longer than 6 months; (6) encouraging service providers to provide child care to JTPA participants; (7) enhancing fiscal accountability requirements; (8) limiting administrative costs to not more than 20 percent of a service provider's contract; (9) requiring governors to administer the programs directly if their designated subordinates fail to do so correctly; (10) establishing greater authority for the Department of Labor's Division of Indian and Native American Programs; (11) authorizing funding for migrant and seasonal farmworker programs; (12) expanding age limits for the Job Corps up to age 25; and (13) expanding other programs such as nontraditional job training for women. (KC)

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101ST CONGRESS
2d Session | HOUSE OF REPRESENTATIVES | REPORT
101-747

JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1990

SEPTEMBER 24, 1990.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HAWKINS, from the Committee on Education and Labor, submitted the following

REPORT

together with

MINORITY, INDIVIDUAL, AND ADDITIONAL VIEWS

[To accompany H.R. 2039]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor, to whom was referred the bill (H.R. 2039) to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve adults and to youth, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

I. INTRODUCTION

H.R. 2039 responds to the challenges to develop a skilled workforce for the 1990s in order to meet the rapidly changing demands of an increasingly technical workplace. The Committee reported bill enhances the employment and training services delivered under the Job Training Partnership Act (Public Law 97-300). The primary intent of this legislation is to target the least job ready for job training services while creating a new year-round job training program for at-risk youth.

H.R. 2039, and similar proposals introduced in both the House and Senate during the 101st Congress, are the first major attempts

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to substantially overhaul the JTPA system since enactment in 1982.

H.R. 2039 incorporates provisions from H.R. 3266, the Workforce 2,000 Job Training Partnership Act Amendments of 1989, which was introduced by Representative Matthew G. Martinez; H.R. 2665, the Job Corps Amendments Act of 1989, which was introduced by Representative Pat Williams; H.R. 3517, the Federal Disaster Relief Employment Assistance Act of 1989, which was introduced by Representative Pat Williams; H.R. 4120, the Job Corps for Homeless Families Act of 1990, which was introduced by Representative Pat Williams; H.R. 4937, the Youth Opportunities Unlimited Act of 1990, which was introduced by Representative Major R. Owens; H.R. 3050, the Nontraditional Employment for Women Act of 1990, which was introduced by Representative George Miller; and H.R. 2803, the job Training Partnership Act Amendments of 1989, which was introduced by Representative William F. Goodling.

In reporting H.R. 2039, the Committee believes that the JTPA program will be refocused to offer improved employment and training opportunities to all those Americans who, in the past, have remained at the margin of our society.

II. Summary of Major Provisions of H.R. 2039

Title II-A: Adult and older worker programs.—Establishes a separate program under Title II-A for adults (over age 22) and older workers (55 and older). Requires that not less than 50 percent of Title II-A participants in a Service Delivery Area must fall in one or more of the following categories: (1) basic skills deficient; (2) school dropouts; (3) Aid to Families with Dependent Children recipients; and (4) unemployed for the previous six months or longer.

Retains the allocation formula in current law for Title II-A: ⅔ based on unemployment; ⅓ based on economically disadvantaged.

Authorizes $1.1 billion in FY 1991 and "such sums" in succeeding years.

Older workers.—Requires Service Delivery Areas (SDAs) to set aside six percent of their Title II-A allocation to operate job training programs for older individuals (age 55 or older). Makes organizations representing older workers eligible for membership on State Job Training Coordinating Council and Private Industry Council. Provides Community Based Organization status to older worker organizations.

Title II-B: Summary youth.—Retains current Title II-B Summary Youth Employment and Training program. Authorizes $900 million in FY 1991 and "such sums" in succeeding years. Also requires SDAs to provide assessments to participants in the summer youth program.

Title II-C: Year-Round Youth Program.—Authorized $1 billion for new year-round program for youth 14 to 21. Requires that not less than 50 percent of all participants be out-of-school youth, with priority given to school dropouts. The remaining percentage must be in-school, at-risk youth.

Revises the youth allocation formula, so that funds under the Title II-B and Title II-C youth programs will be distributed as follows: 60 percent allocated on the basis of relative number of unem-

ployed; 20 percent allocated on the basis of relative number of economically disadvantaged; and 20 percent allocated on the basis of the relative number of recipients of Aid to Families with Dependent Children (AFDC).

State set-asides.—Requires the following State set-asides of Title II–A and II–C funds: 8 percent for education coordination; 3 percent for incentive grants for serving the targeted least job ready; and 5 percent for state administration (includes a $450,000 annual floor to ensure adequate funding of administration for small states).

Performance standards.—Retains existing performance standards for adults and youth. Attainment of basic education or employability enhancement added as an additional performance standard for adults, when combined with an increase in employment and earnings or a decrease in welfare dependency.

Directs the Secretary of Labor to establish a universal definition of placement to be used in performance standards measures.

Program design.—Requires that participants under Title II–A (adults), Title II–B (summary youth) and Title II–C (year-round youth program) must be given an assessment of their skill levels and service needs. Requires that service strategies must be developed for all participants.

On-the-job training.—Requires that on-the-job training be of sufficient duration to allow participant to acquire needed skills, but not to exceed six months.

Child care.—Encourages SDAs and service providers to provide child care to JTPA participants. In selecting service providers, consideration given to those who provide appropriate supportive services, including child care.

Fiscal accountability.—Requires JTPA program administrators to follow the Office of Management and Budget Circulars and/or the Common Rules for procurement, cost principles and other administrative requirements. Prohibits non-profit organizations and governmental units from making a profit. Requires that interest income be used to defray program expenses. Uses language from the Office of Management and Budget Circulars and the Common Rules to define program income. Requires that program income be used to defray program expenses.

Cost limitations.—Requires that at least 80 percent of an SDA's allocation be expended on training, training related services, and participant support services. Administrative costs limited to not more than 20 percent.

By-pass authority.—Requires Governors and the Secretary of Labor to directly administer the program when their respective subordinate level of jurisdiction fails to submit an acceptable job training plan or fails to meet performance standards.

Single unit charging.—Prohibits single unit charging, except for tuition costs or off-the-shelf commercial training packages.

Indian and Native American training programs.—Establishes greater authority for the Department of Labor's Division of Indian and Native American Programs (DINAP). Special consideration given to Native Americans desiring employment with DINAP.

Creates a 17 member "Native American Human Investment Council" to advise the Secretary of Labor on Native American pro-

grams. Directs the Secretary to select the Chief of the Division of Indian and Native American Programs from recommendations made by the Native American Human Investment Council.

Authorizes $70.0 million for Indian and Native American programs in Fiscal Year 1991 and such sums as necessary thereafter.

Migrant and seasonal farmworker programs.—Authorizes $70.0 million for Migrant and Seasonal Farmworker Programs in Fiscal Year 1991 and such sums as necessary thereafter.

Job Corps.—Expands the age limit for eligible participants up to age 25. Increases the nonresidential limit in current law from 10 percent to 20 percent. Provides priority to single parents with dependent children for nonresidential training opportunities. Requires Job Corps centers to provide drug and alcohol abuse counseling. Directs the Secretary to provide, if practical, child care for the children of Job Corps participants. Clarifies that Job Corps participants may transfer to and from JTPA Title II programs. Prohibits nongovernmental entities from operating Civilian Conservation Centers of the Job Corps on public land.

Authorizes Job Corps centers to provide services to the homeless when state and/or local agencies agree to pay at least half of the costs and provide transitional assistance to participants.

Youth Opportunities Unlimited ("YOU") Program.—Authorizes $50 million in fiscal year 1991, and such sums thereafter, for a comprehensive intervention program for youth residing in high-poverty areas in urban and rural communities.

National training institutes.—Creates two training institutes to strengthen the management and operation of JTPA programs. Requires that 0.3 percent of Title II-A and Title II-C funds be used to fund the these institutes.

Disaster relief employment assistance.—Provides emergency disaster relief employment through JTPA. Authorizes $15.0 million under Title IV for this purpose.

Juvenile offender demonstration projects.—Authorizes $1 million for each of fiscal years 1991 and 1992 to fund 10 innovative juvenile offender demonstration projects.

Nontraditional employment for women.—Provides grants to States to develop demonstration and exemplary programs to train and place women in nontraditional jobs.

III. Committee Action

During the 101st Congress, the Committee on Education and Labor, and its Subcommittee on Employment Opportunities held numerous hearings on the Job Training Partnership Act. Six hearings were held by the Committee on H.R. 2039, the Job Training Partnership Act Amendments of 1989, on June 29, 1989, July 7, 1989, September 20, 1989, November 3, 1989, January 12, 1990, and June 6, 1990. The Subcommittee held one hearing on H.R. 3266, the Workforce 2000 Job Training Partnership Act Amendments of 1989, on September 19, 1989.

Two witnesses testified before the Committee regarding H.R. 2039 on June 29, 1989 in Washington, D.C.: the Honorable Elizabeth Dole, Secretary of Labor, U.S. Department of Labor; and Wil-

liam J. Gainer, Director of Education and Employment Issues, Human Resources Division, U.S. General Accounting Office.

Three panels of witnesses testified before the Committee regarding H.R. 2039 on July 7, 1989 in San Francisco, CA. The first panel consisted of: Mr. Kay R. Kiddoo, Director of the Employment Development Department, State of California; Dr. Shirley Thornton, Deputy Superintendent of Specialized Programs Branch, State Department of Education, State of California; and the Honorable Ann Klinger, County Supervisor, Merced, California. Among those testifying on the second panel where: Ms. Robin Purdy, Sacramento Employment and Training Agency; and Mr. Michael Tilles, Northern California Forum on Older Workers. The third panel consisted of: Mr. Hugh Miller, Member of the Board of Directors, The Western Job Training Partnership Association; and Ms. Eunice Elton, President of the Private Industry Council of San Francisco, California.

The Subcommittee received testimony on H.R. 3266 on September 19, 1989. Members testifying before the Subcommittee were: the Honorable Frank Guarini, U.S Congressman from the State of New Jersey; and the Honorable William J. Hughes, U.S. Congressman from the State of New Jersey.

In addition to those Members testifying before the Subcommittee there were three panels of witnesses who also testified. The first panel consisted of: Mr. Dan Schulder, representing the National Council on the Aging: Ms. Ina Davis, Associate Director of the Medishare Health and Education Learning Programs; Ms. Alice M. Obelleiro, Senior Employment Coordinator of the New Jersey Division on Aging, New Jersey Department of Community Affairs; and Ms. Dana Berry, Project Director of the Union City Day Care Program, Inc. The second panel consisted of: Mr. Norm DeWeaver, Washington Representative of the Indian and Native American Employment and Training Coalition; Mr. Thomas Dowd, Executive Director of the Native Americans for Community Change; Mr. Ron Allen, Tribal Chairman of the Jamestown Klallam Tribe, and Board Chair of the Western Washington Indian Development and Training Program; and Mr. Randy Edmonds, Executive Director of the Indian Human Resources Center. Testifying on the third panel were: Mr. C. Lee Crean, President of the National Association of Education and Training Contractors; Mr. Robert Sherer, Executive Coordinator of the Michigan Occupational Information Coordinating Council; and Mr. George Ortiz, President of the National Council for Farmworker Programs.

Testifying before the Committee on September 20, 1989 in Washington, D.C. where three panels of witnesses who discussed H.R. 2039. On the first panel witnesses were: the Honorable Donald Fraser, Mayor of Minneapolis, MN, representing the League of Cities; the Honorable James Moran, Mayor of Alexandria, VA, representing the U.S. Conference of Mayors; the Honorable Hubert Price, Jr., County Commissioner, Oakland County, MI, representing the National Association of Counties; and Mr. Raymond C. Scheppach, Executive Director of the National Governors' Association. The Second panel consisted of: Mr. Gerald Peterson, Assistant Inspector General for Audit, Office of the Inspector General, U.S. Department of Labor, accompanied by Stephen Krembs; Mr. Robert

Ivry, Senior Vice President of the Manpower Demonstration Research Corporation. Among those testifying on the third panel were: Mr. William Kolberg, President of the National Alliance of Business; and Mr. William Struever, Chairman of the Baltimore Private Industry Council, representing the National Association of Private Industry Councils.

On November 3, 1989 three panels of witnesses testified before the Committee in Los Angeles, CA regarding H.R. 2039. The first panel consisted of: Mr. Scott Wylie, Board Chairman of Opportunities Industrialization Centers West; and Ms. Betty Ann Jansson, Executive Director of Women at Work. The second panel of witnesses included: the Honorable Robert Farrell, City Councilman, Los Angeles, CA, on behalf of the City of Los Angeles Service Delivery Area; Mr. Daniel Flaming, Executive Director of the Los Angeles County Private Industry Council, and the Executive Director of the Los Angeles County Service Delivery Area. Among the third panel of witnesses were: Mr. Robert Gutierrez, Executive Director of the Archdiocese of Los Angeles Education and Welfare Corporation; Mr. Martin Ulloa, Executive Director of S.E.R./Jobs for Progress; and Mr. Ruben Treviso, Veterans and Community Service, Incorporated, representing the American G.I. Forum.

The Committee received testimony on H.R. 2039 from four panels of witnesses on January 12, 1990, Chicago, IL. The first panel consisted of one witness, the Honorable Mary Gonzalez Koenig, Commissioner of the Chicago Mayor's Office of Employment and Training, Chicago, IL. The second panel of witnesses consisted of: Mr. James Compton, President and Chief Executive Officer of the Chicago Urban League; Mr. Marshall Cobleigh, Chair of the State Job Training Partnership Act Liaison Group; and Mr. David R. Pierce, Executive Director of the Illinois Community College Board, representing the American Association of Community and Junior Colleges. Witnesses on the third panel were: Mr. Jack D. Connelly, Executive Director of Jobs for Youth in Chicago, IL.; and Mr. Jack Wuest, Executive Director of Alternative Schools Network. The fourth panel consisted of: Ms. Florence Cox, Co-Chair of the Illinois First Congressional District Education Task Force; Mr. Leigh Diffay, Vice President of Human Development, The Woodlawn Organization; Mr. Paul Giblin, Legislative Director of the United Automobile Workers of the State of Illinois; Ms. Mary Etta Davis, Acting Director of the Bureau of Business Education, Department of Vocational and Technological Education, Chicago Public Schools; Mr. Carlos Ponce, Executive Director of the Spanish Coalition for Jobs; and Ms. Toni Preckwinkle, Executive Director of the Chicago Job Council.

On June 6, 1990 the Committee received further testimony from two witnesses in Washington, D.C., regarding H.R. 2039. Those witnesses who testified were: the Honorable Elizabeth Dole, Secretary of Labor, U.S. Department of Labor; and Mr. Gerald Peterson, Assistant Inspector General for Audit, Office of Inspector General, U.S. Department of Labor.

During a Committee markup session on July 19, 1990, the Subcommittee on Employment Opportunities was discharged from further consideration of H.R. 2039. The Full Committee considered and marked up a substitute to H.R. 2039 on July 19, 1990, July 26,

1990, and July 31, 1990. The Education and Labor Committee ordered reported, as amended, the bill on July 31, 1990, by voice vote.

IV. Background and Need for Legislation

H.R. 2039 enhances the quality of job training for economically disadvantaged individuals in this country. The Job Training Partnership Act (JTPA) has lost focus of its primary mission as envisioned by its original sponsors: to train economically disadvantaged adults and youth, particularly those among the eligible population who are most in need and who are unprepared to compete in the labor market.

H.R. 2039 does not undermine the stability of the current JTPA system. It essentially leaves the existing structures in place. It leaves intact the public/private partnership which has worked well in most service delivery areas across the country. But, by improving targeting and the quality of services, it does change existing policies relating to who is being served by JTPA, the types of services being provided, and the outcomes expected under the program.

The intended recipients of JTPA services should be economically disadvantaged adults and youth with the greatest barriers to employment who are most at risk of failure in the job market. Yet, JTPA essentially under-serves them and instead serves the most job ready among the eligible population. For instance, 66 percent of those trained and placed in program year 1987 under JTPA were high school graduates. Although the statute required special emphasis on school dropouts, and others with serious barriers to employment, they are not receiving equitable services. Enactment of H.R. 2039 is necessary to refocus JTPA on the harder-to-serve population who are struggling to get into the economic mainstream.

V. Explanation of the Bill

PROGRAM DESIGN

The Job Training Partnership Act (JTPA) has established a solid foundation for an effective job training system. This legislation builds on that foundation to ensure that the system continues to meet the needs of today's tighter, continuously evolving labor market by providing basic skills training, literacy, counseling, and remedial education in addition to training in job-specific skills.

The Committee's proposed amendments to JTPA embodied in H.R. 2039 focus the program on serving a more disadvantaged population which truly needs job training assistance. This stronger emphasis on serving the more disadvantaged requires the provision of more intensive and comprehensive services to these individuals, services designed to promote self-sufficiency in an increasingly complex and changing labor market.

The Committee believes that the following changes in program design will upgrade the level of services throughout the JTPA system, ensuring that quality training becomes the hallmark of JTPA programs.

First, participants' skill levels and services needs must be assessed. The Committee believes that an assessment is critical to accurately address each participant's needs and to determine the ap-

propriate types of training and services to be provided. As the JTPA Advisory Committee noted in its March 1989 report, "Working Capital":

> Only after participants' work history, job and educational skills, interests, health, motivation and life circumstances are reviewed and documented, can they be used to establish the services individuals should receive and their obligations while receiving those services.

The Committee wants to provide flexibility in this process and has not prescribed the design of the assessment. In addition, a new assessment is not required if the SDA determines that it is appropriate to use a recent assessment conducted by another education and training program (such as the Welfare JOBS Program). To protect the integrity of the assessment process while preserving local flexibility, the Committee encourages the Department of Labor to develop guidance which ensures that meaningful assessments are provided to participants by qualified staff.

Second, the bill requires that an individual service strategy be developed which is based on the assessment and identifies the employment goal, achievement objectives, and the services to be provided to the participant.

There are many approaches an SDA can take to help participants obtain services identified in his or her service strategy and ensure effective participation in JTPA. The Committee believes the choice of approach should be a local decision and thus has not required the use of any specific approach.

Third, each service delivery area must offer a set of core services to adults and youth. Based on their assessment and service strategy, basic skills training (including language skills training) and occupational skills training must be available to adult participants. Core year-round services for youth must include, in addition to basic and occupational skills training, pre-employment and work maturity skills training, work experience combined with skills training, and supportive services.

Participants in the summer youth program must also be provided with an assessment of their skill levels and service needs and a service strategy must be developed for them as well. SDAs must provide basic and remedial education to summer youth participants as described in the SDAs job training plan.

Fourth, as an additional improvement to the current program, the Committee bill requires that job search, job search skills training, job clubs, and work experience activities be accompanied by other services that increase a participant's basic educational and occupational skills. These activities may be provided to an adult participant on a "stand-alone" basis only if the individual's service strategy indicates that the additional services are not appropriate and if such activities are not available to the participant through the Employment Service or other public agencies.

Youth may only receive work experience, job search, job search skills training, and job club activities if they are accompanied by additional services to increase the participant's basic education or occupational skills. These additional services may be provided se-

quentially or concurrently and under other education or training programs.

These changes reflect the Committee's view that job finding activities and work experience need to be linked with more long term and effective educational and training services which have a greater long term impact for the participant.

Finally, the Committee believes that the quality of local programs will be strengthened further by allowing counseling and supportive services to be provided to a participant for up to one year after termination from the program.

In addition to the above mentioned features, which are designed to directly improve the quality of JTPA programs, the Committee believes that the new links to local education programs and the proposed changes in JTPA performance standards to reflect long term and more intensive services will reinforce the legislation's emphasis on program quality.

ADULT PERFORMANCE STANDARDS

The Committee has clearly stated its belief that "job training is an investment in human capital and not an expense." The accurate measurement of the return on this investment is critical, not only for the overall program, but for the individual participants whose achievements are reflected in that measurement.

The basic measures of performance for training programs for adults are increases in employment and earnings and reductions in welfare dependency. These basic measures have served the program and its participants well, reflecting the positive outcomes which Congress envisioned when JTPA was first enacted.

The Committee reported bill will refocus the program on serving a more disadvantaged population with a greater need for the services which JTPA offers. The Committee has clearly recognized that this population will need more than just job placement, more than job club activities, indeed, more than just training in job-specific skills. Consequently, H.R. 2039 includes a new program design emphasizing the provision of basic skills, including both education and occupational enhancement.

In conjunction with this recognition of the importance of basic education and occupational skills enhancement, the Committee believes that the measure of performance for adults should also acknowledge the importance of attaining and enhancing these skills. However, the primary goal of JTPA for adults remains job training, and outcomes measures should reflect this goal. Therefore, the Committee bill allows additional credit for those programs which produce an increase in participants' basic education and occupational skills, when such increase is combined with an increase in employment and earnings or a decrease in welfare dependency.

TARGETING

The Committee has been concerned, over several years, about the criticism that the JTPA program has failed those least-skilled and most disadvantaged among the eligible population. Under current law, anyone deemed "economically disadvantaged" eligible for JTPA services. However, since JTPA is not an entitlement pro-

gram and appropriation levels generally serve less than 5 percent of those eligible for the program, the Committee believes that a priority for services must be established and that JTPAs targeting provisions should be strengthened.

In January 1988, the Labor Department's Office of Inspector General issues a report on JTPA's participant training and employment activities which highlighted a serious shortfall in terms of who was being served by JTPA. Among other findings, the OIG reported that approximately 60 percent of JTPA clients were high school graduates, and that approximately 50 percent of JTPA terminees were unemployed at 4½ months after completing the program.

In a March 1989 report, the JTPA Advisory Committee—consisting of 38 education, employment and training officials appointed by the Secretary of Labor—also echoed the need to tighten targeting provisions in JTPA. The Advisory Committee recommended strongly that JTPA target its resources more effectively on individuals who have low incomes and lack the basic skills necessary to perform well in the labor market—school dropouts, welfare recipients, at-risk youth, etc.

The Committee was also persuaded by a June 1989 report on JTPA from the U.S. General Accounting Office concluding that dropouts are underserved by JTPA, that the program concentrates on the "easier-to-serve" population, that the less job ready participants receive less occupational training, and that JTPA generally ignores that harder-to-serve population who have good probability of benefiting from training interventions.

The Committee reported bill essentially incorporates the recommendations from a number of sources, including the Administration and numerous individuals who testified during the hearings. The bill requires all service delivery areas across the country to target at least half of their participants slots in both adult and youth programs to those individuals with serious barriers to employment.

Along with the improvements to perform standards and providing incentives to those service providers who focus on the most needy, most at-risk, the Committee believes that the new targeting requirements in H.R. 2039 retain local flexibility whole still focusing attention, resources and planning efforts on those harder-to-serve individuals. This will bring the JTPA program into conformance with the original Congressional intent to serve those "most in need" of employment and training services.

EIGHT PERCENT EDUCATION SETASIDE

The Committee continues to endorse the 8 percent State setaside for education coordination activities authorized in Section 123 of the current law and therefore retains such authority in H.R. 2039. Proposed previsions to JTPA seek to assure that (1) adult and youth services focus on basic skills and occupational training connected to work, and (2) there are strong linkages between education and training programs for the economically disadvantaged. To achieve these goals, the Committee believes that it is necessary to

maintain the 8 percent setaside for education coordination activities.

The Committee received extensive support for retention of the 8 percent education coordination program. For example:

The Illinois State Board of Eduation.—The 8 percent programs in Illinois have served greater percentages of hard to serve minority and welfare populations than SDA administered IIA programs. Programmatically, 8 percent programs are currently operating successful models serving significant numbers of participants in literacy, dropout prevention, school-to-work transition, welfare recipient education, and cooperative vocational education for in-school youth. Eight percent programs have led the way in Illinois for coordination and of programming offered under JTPA, Carl Perkins Vocational Education, Adult Education, Literacy and JOBS programs. To dismantle a successful system of education coordination, to bring additional entities to the table (5 percent innovation-coordination) would set back education coordination, not enhance it.

California community colleges.—Probably the most important contribution these 8 percent funds have made is to put education back into the job training efforts of the State. The availability of these funds has enabled community colleges, for the first time, to design education programs to meet specific local job training needs. Many new and unique classes have been added to college curriculums to benefit unemployed persons, in direct response to specific employer needs.

In similar fashion, representatives from the education community across the nation testified before the Committee or contacted the Committee to express their overwhelming support for the 8 percent program and its impact on existing JTPA programs.

The Administration advocates eliminating the education setaside and replacing it with a linkage and coordination grant program to Governors under the Secretary of Labor's discretion. This new provision claims to broaden coordination with education and other programs for linkage with JTPA. The Committee believes that the Administration's proposal would dilute the strong linkages between the education and job training communities. Full participation of State and local education agencies in job training programs is essential. The Committee expects these efforts to continue and intensify as a result of the substantive improvements in H.R. 2039, as amended.

SUMMER YOUTH PROGRAM

The Committee strongly supports the continuation of the separate summer youth employment program currently authorized under Title II-B of JTPA.

Recognizing the importance of youth intervention programs, the Committee bill creates a separate year-round youth program while retaining the stand-alone summer youth program. The Committee is convinced that summer is a critical period for keeping young people on a productive path. The summer youth program provides remediation, work-study programs, and valuable work experience to large numbers of disadvantaged youth all across the country.

Summer jobs are also a source of much needed income for the poor. Not only have these programs been proven beneficial, many young people would get no exposure to the world of work otherwise.

Many SDAs are woking to provide better bridges between the summer program and the year-round youth program. The Committee supports these efforts and expects funding of both programs to increase. Furthermore, the Committee expects summer youth activities to remain at high levels even with the enactment of a comprehensive year-round youth program as proposed in H.R. 2039.

OLDER WORKER TRAINING PROGRAMS

The Committee heard testimony and received communication from around the nation regarding the special employment and training needs of older individuals. Testimony and other information provided to the Committee traced the history of Federal job training program responses to the special needs of older workers and the background of the current three percent set-aside in Title II-A of the Act at the state level for the provision of services exclusively to persons age 55 or older.

The U.S. General Accounting Office issued a report on January 22, 1990 on JTPA's 3 percent set-aside program for older workers. Noteworthy in the GAO report was the finding that nearly two-thirds of all program terminees age 55 and older were served by the three percent set-aside program, a clear indication that the balance of Title II-A activities were still underserving older adults. The report also noted that the States have not fully expended the 3 percent set-aside funds each year for older workers, but that the expenditure rates have improved from an initial 28 percent to 70 percent in program year 1988.

The Committee also heard testimony regarding linkages between the 3 percent older worker training program under JTPA and projects funded under the authority of Title V of the Older Americans Act (Senior Community Service Employment Program). Testimony was provided suggesting that a common eligibility standard for both programs would result in better coordination of efforts and greater efficiencies by not requiring "duplicative" eligibility requirements for individuals served by both programs. While the Committee ultimately rejected an amendment on a common eligibility standard because it would have diluted targeting on those elderly most in need, the Committee nevertheless encourage continued efforts by the Department of Labor to foster inter-program cooperation and coordination. The Committee bill does require the State job training councils and the local SDAs to make special efforts to coordinate these two programs.

In sum, the Committee bill will require better services to older workers in several crucial areas.

Representation on private industry councils.—Section 4(a) of the bill requires that "organizations representing older workers" be eligible for membership on Private Industry Councils (PICs). It is the Committee's view that "organizations representing older workers" could include older worker advocacy groups, programs authorized by Title V of the Older Americans Act, and area agencies on aging, among others.

Representation on State job training coordination councils.—Section 5(c) of the bill requires that "state agencies primarily responsible for administration of programs for older workers" be eligible for membership on State Job Training Coordination Councils (SJTCC). The Committee believes that such eligible state agencies should include the designated state units on aging administering the Older Americans Act.

Modification of performance standards.—Section 4 of the bill amends Section 106(d) of the Act by directing the Secretary of Labor to prescribe variations in performance standards for special populations, including older workers.

Set-aside of service delivery area funds for older workers.—The Committee bill reflects continuing support for targeting of funds to meet the needs of older workers. The existing 3 percent State set-aside for older workers has been replaced with a refined and enriched program for adults and older workers at the local level. However, in order to assure that every service delivery area redirects its attention to the challenge of an aging workforce, the Committee bill requires that at least six percent of the Title II-A funds of each SDA be utilized for persons 55 and older. In administering this new requirement, the Secretary of Labor is directed to provide technical assistance to Private Industry Council and SDA staffs to assure the efficient use of these funds. In providing this assistance, the Secretary of Labor should use national, state and local organizations and agencies with a long and substantial record of older worker training, research, and technical assistance capabilities.

Finally, the Committee suggests that Governors using their three percent set-aside funds during the transition period provided by this bill should direct such usage in ways which may prepare the total state-local SDA network to better serve older workers in the coming years. The Committee wishes to point out that six percent of funds allocated to the SDAs for older worker programs is the *minimum* amount of funds to be used for such programs. It is critical to our economic future that we provide expanding job opportunities and training assistance to the growing pool of mature and older workers.

TITLE II-B AND II-C ALLOCATION FORMULA

H.R. 2039, as introduced, puts a significant weight on economically disavantaged youth in the allocation formula for the youth part. The Committee believes that this data base was more unrealiable and for less often updated than unemployment data.

When the Committee has reported youth employment and training legislation in the past, it chose to emphasize unemployment data for allocating funds. In 1980, when the Committee reported H.R. 6711, sponsored by Chairman Perkins, and Representatives Goodling, Ford, Kildee, Buchanan, Simon, and Jeffords, 75 percent of the funds were allocated base on unemployment. In 1984, when the Committee reported H.R. 5017, two-thirds of the funds, as in current law, were allocated based on unemployment.

The amendment offered by Representative Williams was a compromise. This amendment retained the Committee's precedent on youth formula by providing a 60 percent weight to the relative

number of unemployed, a 20 percent weight to the relative number of AFDC recipients, and a 20 percent weight to the relative number of economically disadvantaged youth. The Committee believes that this formula effectively targets the funds under the youth subpart.

USE OF FUNDS

The Committee bill revises and improves the list of authorized activities under JTPA in several respects. The delineation of activities into direct training services, training related services, or participant support services will provide definitional guidance to the system. Under H.R. 2039, SDAs will be required to report all expenditures by specific cost categories and to comply with the new statutory cost limitations. The revised list in the Committee bill will help service providers properly charge expenditures to the appropriate cost categories. While the revised "Use of funds" section in the reported bill cannot be all-inclusive, what is provided will establish better guidance and uniformity in the system.

The Committee bill eliminates all authority for "employment generating activities" under Section 204 of the Act. However, the Committee believes that there are many worthwhile programs to find employment for JTPA participants which may compete for JTPA funding and should warrant consideration. For example, the Genesee Economic Area Revitalization, Inc. (GEAR) located in Flint, Michigan currently operates a business retention program that helps place JTPA eligible participants in jobs in the business and manufacturing sectors. Presently, GEAR uses JTPA's employment generating funds to hire "retention practitioners" to solicit local businesses to find job placements for eligible JTPA participants. It is the belief of the Committee that legitimate job development activities, such as the ones undertaken by GEAR, are allowable training related services under JTPA.

CHILD CARE

The Committee has been concerned that single parents with dependent children are often precluded from participating in job training programs because of their child care responsibilities. Studies have indicated that most of these single parents are women because almost all households living in poverty are headed up by women. If these single parent families are to break the cycles of poverty and dependency, then employment opportunities, made available for job training, are essential. Child care is the crucial link to these opportunities.

The Urban Institute published a study on the Copmmonwealth of Massachusetts' employment and training program in August 1990 which illustrated that child care services were instrumental in helping make the transition from public assistance dependency to employment. It is the sense of the Committee that the demonstrated effectiveness of child care services will also help single parents to attain the job training skills that are prerequisites to employment.

The Committee reported bill requires service delivery areas to give special consideration to service providers who provide support services, especially child care services.

The bill also requires the State Job Training Coordinating Councils (SJTCC) and Service Delivery Areas to make reasonable efforts to encourage service providers to provide child care services to the children of participants in title II programs, at a minimal cost to such participants. It is the intent of the Committee that SJTCCs and SDAs should encourage service providers to incorporate child care services into their service plan by offering technical assistance on the development, implementation, operation and administration of child care services. Toward that end, it is the Committee's intent that SJTCC's and SDAs develope expertise on child care services for program participants. Finally, it is the intent of the Committee that program administrators assist participants in seeking child care services through other programs or through referrals to child care resource and referral sources.

PLACEMENT

It is the sense of the Committee that in the absence of a uniform definition of placement, performance standards fail to accurately measure placement. H.R. 2039 directs the Secretary of Labor to establish such a uniform definition. The bill also requires that such definition be used to determine credit for employment obtained in occupational areas related either to training or training related services provided by programs operated under this Act. It is the intent of the Committee that the creation of such a uniform definition will only require that employment be obtained, to the extent practical, in an occupational area at least indirectly related to training or training related services. For example, the placement of a carpentry trained participant in a related building trade would represent a "related" placement. It is the Committee's view that this provision will help to compel service providers to make every effort to place participants in jobs related to the training or training related services received under JTPA.

GOVERNOR'S AUTHORITY

The Committee is concerned about fraud, waste and abuse in programs authorized by this Act. For that reason, Section 7 includes provisions to improve procurement, cost principles, and administrative and reporting requirements. To buttress the implementation of Section 7, the Committee believes that those who administer programs authorized by the Act must understand procedures to ensure fiscal and programmatic accountability. Section 121(c)(9) of the Act provides the Governors with the authority to develop and provide inservice training for planning, management, and delivery staff of administrative entities, private industry councils and contractors for state supported programs. It is the intent of the Committee for the Governors to coordinate the development of professional training curricula and administrative competency standards with the standards and curricula set by the Training Institutes established under part H of Title IV. The Governors should allow and review the comments of the parties interested in the development of professional training curricula and administrative competency standards before adopting such curricula and standards.

It is the sense of the Committee that on the occasion that it is necessary for the Governors to take corrective action against service delivery areas that substantially violate the Act and regulations, certain clear cut procedures be established. By the same token, the Committee's commitment to performance standards dictates that corrective action be taken by the Governors to ensure that SDAs meet such standards. In the event the Governor refuses to take corrective action, the Secretary of Labor shall intervene. Throughout the process of taking corrective action against service delivery areas, it is the intent of the Committee that the Governor or the Secretary ensure that program participants continue to receive services.

Section 164(b) provides Governors the authority to modify substate plans when an SDA substantially violates the Act and regulations, including auditing compliance. The Committee seeks to enhance the Governor's authority by striking a sentence in Section 164(b) of the Act regarding the ability of service delivery areas to appeal the Governor's decision to revoke all or part of substate plans to the Secretary of Labor. Instead, Section 7(c) of the bill inserts a new sentence into Section 164(b) of the Act which permits an SDA to correct their substantial violations or submit acceptable modification of their substate plan. This also gives the Governor authority to designate a new SDA to replace the existing SDA. The Committee bill also gives the Secretary of Labor authority to take corrective action if the Governor fails to implement such corrective action.

In addition, the Committee bill requires the Governor to provide technical assistance to an SDA that fails to meet performance standards. Under this approach, the Governor and the SDA are required to jointly develop a strategy to improve performance which will be incorporated into the job training plan. If an SDA fails to meet performance standards for two consecutive program years, the Governor is required to assume administrative responsibility of such SDA until performance standards are met. To ensure that such SDA's performance standards are met, the Governor may restructure the Private Industry Council, prohibit the use of selected service providers, or select an alternative entity to administer such SDA.

If these measures fail to improve performance within 12 months after implementation, the Governor is required, in consultation with the State Job Training Coordinating Council, to incorporate such SDA into another existing SDA that has met its performance standards. The Governor's decision to incorporate such SDA is without recourse. If the Governor fails to act, the Secretary of Labor is directed to take corrective action.

The Committee believes that providing four years to SDAs to improve their performance is a sufficient period of time. If an SDA cannot improve its performance with assistance after four years, the likelihood that performance would improve with additional time is not great. Additionally, to prolong the time during which a nonperforming SDA may operate programs through an appeals process only hurts the participants of the program.

LABOR MARKET INFORMATION

The Committee recognizes the potential that administrative records hold for enhancing the nation's Cooperative Labor Market Information Program, for providing more cost-effective evaluation data on training and employment programs, and for broadening the scope of knowledge about the employment and earnings paths of population groups experiencing employment difficulties. A longitudinal database using administrative records can provide needed data on the effectiveness of vocational education and occupational training programs and may do so at much less cost than telephone surveys and other follow-up techniques. Administrative records also will enhance the information on dislocation produced by the Permanent Mass Layoffs and Plant Closing program. To fully explore these possibilities, the Bureau of Labor Statistics should do background research and engage in dialogue with the states to determine an acceptable means of operation of a national longitudinal database of currently collected administrative records. The Committee directs the Secretary of Labor to make available sufficient funds from discretionary accounts under the Act to enable the Bureau to begin this work, so that progress can be reported to Congress by the date specified.

FISCAL ACCOUNTABILITY

The Committee bill requires that all entities funded under the Act abide by the applicable Office of Management and Budget (OMB) Circulars governing uniform administrative requirements and cost principles. These Circulars govern cost, fiscal, and administrative principles for the majority of Federal grants and cooperative agreements with state and local governments and non-profit entities. This includes the JOBS program under the Family Support Act, jointly administered by the Department of Health and Human Services and the Department of Labor, which serves a similar client population. The OMB Circulars establish a uniform basis for working relationships between these entities in the expenditure of Federal program funds. In addition, the Circulars provide necessary guidelines to address such issues as allowable costs, profits for governmental and non-profit organizations, use of program income, real property acquisition and disposition, financial reporting and grant closure. It was never the intent of the Committee that programs authorized by the Act were to be considered a block grant program and thus exempt from the requirements of the Circulars. This amendment will reinstate the original intent and, through the application of the Circulars, correct many of the deficiencies reported by the Department of Labor's Office of Inspector General.

The Committee bill stipulates that subrecipients of States and their subrecipients shall follow the detailed procurement requirements of the Circulars or the Common Rules when procuring property and services under a grant and shall follow the same requirements, as applicable, in the award of financial assistance to subgrantees. This amendment will thus establish uniform requirements for basic procurement and assistance award actions that are to be followed by all parties equally. These specific requirements

are necessary in order to establish fundamental controls over the procurement and financial assistance award process at these levels. Heretofore, these entities were subject to controls as established by the Governors. The first eight years of the administration of this Act have shown that there were serious deficiencies in the Governor-established systems, if the systems had been established at all. Often, the Governors passed the requirement for establishing procurement controls down to the local level where controls over procurement of training services were non-existent.

Furthermore, the bill establishes an allowance for interest income to be retained by an SDA as well as a requirement that it be used for the current year's expenditures in accordance with the statutory cost limitations in the Act. This provision was necessary to ensure that the JTPA program benefits from interest earnings on its funds and benefits in such a way as to reduce appropriation needs by the amount of the earnings. It is the Committee's view that this provision in no way diminishes recipients' responsibilities to minimize time elapsed between receipt and disbursement of funds.

The Committee bill strictly prohibits profits by governmental entities in the delivery of employment and training services authorized by the Act. It also prohibits generation of profits by non-profit entities except when functioning as cost-type, administrative service contractors. On the other hand, it allows the generation of a reasonable level of profit by private-for-profit entities. These amendments were necessary to clarify that governmental units and non-profit entities were not to be in the business of making profits when delivering services to the disadvantaged population served by the Act. Current OMB Circulars and the Common Rules prohibit generation of profits by entities functioning as grantees and subgrantees. However, the Committee bill modifies the OMB prohibition to prevent any profits by governmental units and to allow profits for private-for-profit entities.

Finally, there is a requirement in the Committee bill for semiannual reporting of Title II expenditures by the Service Delivery Area (SDA) by appropriation for specific fiscal years. The Committee believes this is necessary in order to determine compliance with the statutory cost limitations during the three year life of the funds authorized by the Act. Currently the Department of Labor's Employment and Training Administration (DOL/ETA) does not collect expenditure data by year of appropriation. Expenditures reported are simply charged off against the oldest outstanding appropriation. This "first-in first-out" method of expenditure accounting fails to maintain the integrity of the appropriation by allowing lapsed funds to remain unidentified beyond their three year life.

LIMITATION ON CERTAIN COSTS

H.R. 2039 provides that not more than 20 percent of JTPA funds may be spent on the cost of administration, that the combined costs of administration and support services shall not exceed 40 percent, and that the majority of funds must be spent on training and training related expenses.

The Committee bill requires that the limitations on costs apply to funds expended by an SDA for any program year, not funds available to an SDA. The cost limitations were amended to apply to "funds expended" rather than "funds available" (1) because of the inherent ability of the service delivery areas to overexpend administrative funds under the "funds available" language whenever carry-in funding exists, (2) to bring Title II requirements into concert with Title III requirements, and (3) to allow for basic auditability and compliance with the statutory cost limitations. The three year life of funds under JTPA and the variability of carry-in amounts, when combined with the DOL/ETA practice of charging expenditures to the oldest outstanding appropriation, create an accountability problem which this amendment will correct.

The addition of a definition of administrative costs is provided for simple clarification. During the first eight years of the Act no such definition was provided to the system. This had the effect of allowing costs most appropriately chargeable as administrative costs to be charged as training or participant support costs, thereby thwarting the statutory intent of limiting administrative costs.

The Committee bill also requires that no more than 15 percent of the funds spent for training may be charged to the training related expenditures cost category. The placing of a limitation on training related services has the effect of ensuring that more funds authorized by the Act are expended on actual training rather than on services only related to the training. Past experience in the administration of the Act has shown an inordinate percentage of funding expended for these "easier-to-provide" services.

Finally, the Committee bill specifies that all costs are to be charged to the appropriate cost category: to training, participant support services, or administration. The revised list of authorized activities in the Committee bill will provide necessary guidance to program staff in reconciling the cost limitations with the appropriate cost categories.

RESTRICTIONS ON SINGLE UNIT CHARGING

The authority for single unit charging has been derived through regulations issued by the U.S. Department of Labor allowing JTPA service providers to charge all costs under a fixed unit price, performance based contract to training, without identifying the actual costs of training, participant support services, and administration.

The Labor Department's Office of Inspector General estimates that performance based contracts are used to procure over $1 billion of JTPA services annually. It is the preferred way of doing business in JTPA today. Over the past few years, the OIG has audited a sampling of performance based contracts in the JTPA system and found abuses, which are troublesome to the Committee. For example, JTPA training has been defined to encompass virtually any program activity, including activities which are purely administrative. The OIG also found that SDAs utilize performance based contracts to circumvent the 15 percent statutory limitation on administrative expenses.

The Committee intends to restrict the practice of single unit charging, thereby eliminating the use of performance based con-

tracts which do not comply with the new requirements of H.R. 2039.

Under current law, only commercial training packages may be single unit charged. The Committee bill specifies that tuition charges may also be single unit charged. The Committee recognizes that tuition is a cost normally assessed by a training institution as an aggregate sum for all costs incurred without segregation of cost components.

Since the practice of single unit charging has exacerbated efforts by Federal and state entities to determine compliance with the cost limitations in the Act, the Committee bill will increase program accountability by restricting single unit charging.

ADVANCE PAYMENT METHOD

The Committee recognizes that nonprofit organizations often lack the financial resources to fulfill the requirements of a contract under JTPA if the payment for services to the nonprofit contractor does not occur until after services are initiated. The Committee seeks to provide relief to nonprofit organizations by allowing th Secretary of Labor, States and service delivery areas to establish provisions for advance payments in contracts made with nonprofit organizations. The Committee believes that provisions for advance payments may be included in contracts with nonprofit organizations that have demonstrated effectiveness in the performance of the types of services to be provided under the terms of the contract. The Committee expects that advance payments should not exceed 20 percent of the total contract amount.

JOINT SDA AGREEMENTS

Service delivery areas generally do not serve eligible residents from other SDAs although there are limited exceptions to this under the current JTPA law. Nevertheless, the Committee is concerned about recent reports indicating that inner-city residents who reside in a city SDA may not be served by a county SDA even though the city is situated totally within the boundaries of the county. Often, county citizens who live within an inner city comprise a significant portion of a county's disadvantaged population.

The Committee maintains that a county service delivery area should have the flexibility to serve some of its neediest citizens as a supplement to the job training and employment efforts by a city service delivery area. If there is mutual agreement, it makes little sense for a service delivery area, city or county, to be precluded from serving a substantial portion of its economically disadvantaged population. It may be beneficial for either the city or the county SDA to administer a specific training program and serve all eligible individuals in both SDAs. Therefore, the Committee bill provides for this flexibility.

JOB CORPS

Increase the age range for eligible participants.—The Committee increases the maximum age limitation for eligible Job Corps participants from "22" to "25". In doing so, the Committee believes that the older enrollees will prove to be good mentors for the

younger participants. The Secretary reports excellent results with older enrollees in Job Corps demonstration projects in 14 sites.

Transfer of Job Corps participants to and from programs under title II.—The Committee clarifies the long standing intent of the law that individuals who are participants in the Job Corps can concurrently or subsequently participate in Title II programs or Title II participants from concurrently or subsequently participating in the Job Corps.

Increase limitations on nonresidential participants.—In increasing the limitation on nonresidential participants from 10 percent to 20 percent, the committee in doing so to encourage an increase in the enrollment of eligible participants who are single parents with dependent children.

Conservation centers.—The Committee retains the language contained in the Labor HHS-Education Appropriations bills since the mid-1980s prohibiting the use of any funds under this Act to execute or carry out any contract with a non-government entity to administer or manage a Civilian Conservation Center of the Jobs Corps on public lands.

Additional supportive services.—The Committee instructs the Secretary, to the extent practicable, to provide child care to the children of male or female participants at or near Job Corps centers. Every effort should be made to link with and utilize existing local resources.

The Committee believes that all enrollees who are dependent on or who have a history of abuse of alcohol or drugs should be provided counseling and referral to services necessary to prevent the continuation or recurrence of that dependency or abuse.

JOB CORPS FOR HOMELESS FAMILIES

The Committee added a new section 433A entitled "Job Corps for Homeless Families" as an amendment to Part B of Title IV of the Job Training Partnership Act (29 USC 1691 et seq.). This amendment is designed to provide services and facilities to eligible homeless individuals and their families who have not attained the age of 25 at the time of enrollment. For the purposes of this section, a "family" could include, at a minimum, dependent children, and the brothers and sisters of the parent(s) of those dependent children.

These services and facilities shall be provided under a project agreement with one or more State or local agencies that: (1) requires such State and local agencies to provide not less than 50 percent of the costs; (2) contains provisions to ensure that enrollees and their families are effectively assisted in obtaining necessary health, education and social services provided by existing Federal, State and local programs; and (3) requires State and local agencies to provide transitional assistance, including housing, necessary to effect successful job placements for enrollees.

This legislation is also included in the committee's amendments to the McKinney Act as part of H.R. 3789.

MANAGEMENT FEE FOR JOB CORPS CONTRACTORS

Currently, the U.S. Department of Labor has no consistent policy that establishes criteria for awarding management or administra-

tive fees to nonprofit and for-profit contractors in the Jobs Corps program. All for-profit contractors receive fees. A few nonprofit contractors receive small fees. The disparity exists because the determination to award management fees is made on a case by case basis by each individual contracting officer in Job Corps.

The Committee believes that not-for-profit contractors in Job Corps face risks and financial exposure comparable to their for-profit counterparts. As reported on p. 577-9, part 1, of the fiscal 1990 hearings before the Subcommittee on Labor, Health and Human Services, and Education of the Committee of Appropriations, the Committee notes that the Department of Labor has not treated not-for-profit Job Corps contractors in a consistent manner in their regional and national offices. The Committee believes that 1 percent of the contract amount is a floor and not a ceiling for an equitable and negotiated management fee. It is the Committee's view that this provision corrects this long standing inequity.

EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS

The Committee has reaffirmed the basic purposes of the special programs in the Act for Native Americans. These programs are designed to permit Indian tribal governments and Indian and other Native American organizations to adapt the employment and training in the Act to their unique circumstances and to employ such resources for the economic and social development of Indian and Native American communities consistent with self-determination.

To effectively meet Native American needs, these programs will be administered through a unit within the Department of Labor which has the principal responsibility for program policy; staffed with personnel with special expertise in Indian affairs; and which works closely and cooperatively with tribal governments and other Indian and Native American organizations that deliver program services.

The Committee has approved a number of changes in the Native American provisions of the Act to accomplish these objectives.

Explicit authorization is provided for the Division of Indian and Native American Programs, an existing part of the Department's structure. The language in the bill makes clear that this unit is to be accountable for the development of programmatic policy and procedures, making recommendations on the selection of grant recipients and to be principally responsible for program monitoring functions.

To strengthen the ability of this Division to perform these responsibilities, the bill provides the necessary authority to extend to qualified Indian and Native Alaskan people special consideration, equivalent to that given to veterans under other statutes, for all professional positions within the Division, including managerial and policy making positions. The bill enables the Native American Human Investment Council to assist the Secretary in the selection of a person to head this Division by insuring that his or her professional qualifications have been closely examined by the council as well as by Departmental officials. In the event that the Secretary rejects the Council's initial recommendations, the Council is to

submit additional names for consideration until a qualified person is chosen by the Secretary.

The Committee intends that the Native American Human Investment Council be an active participant in the review of all aspects of Native American programs and their administration by the Department so that it can fulfill its responsibility to the Secretary and the Congress to recommend ways to improve these programs. The bill requires that all segments of the service population be represented on the Council. The Committee expects the Secretary to give priority consideration to nominations for membership on the Council which have broad backing in the Native American community. The bill also provides for administrative support for the Council.

MIGRANT AND SEASONAL FARMWORKERS

Organizations representing low-income farmworkers expressed to the Committee their concerns about the authorization level for the Section 402 program and about several administrative procedures that seem unsuited to the provision of effective training and supportive services for farmworkers and their families.

The Committee bill includes language which increases the amount of funding to be reserved by the Secretary of Labor for programs authorized by Section 402 of the Act so as to take into account the increase in eligible population resulting from the certification of Special Agriculture Workers under the Immigration Reform and Control Act, from the undercount in the 1980 Census, and from the number of family members eligible for services authorized by Section 402 of the Act but not included in the Department of Labor's eligibility count and allocation formula. The Committee urges the Department to Evaluate and report on the increase in eligible population for programs authorized by Section 402 of the Act based upon these and other relevant factors.

The bill also adds the Association of Farmworker Opportunity Programs to the list of community-based organizations in Section 4(5) of the Act.

The bill includes language permitting the Secretary of Labor to continue for an additional two years, without competitive procedures, the designation of a Migrant and Seasonal Farmworker program grantee when the Secretary determines that such grantee is performing in a satisfactory manner under the terms and conditions of a current grant. This change will permit successful grantees to redirect a significant amount of grantee personnel time and limited funds provided under Section 402 to increase job training activities. When the Secretary of Labor determines that a competition for grantee designation is appropriate, the Committee directs the Department of Labor to eliminate scoring procedures that have the effect of permitting an applicant to award points to itself, as in the case of a state agency.

Finally, the Committee also directs the Department to work with the Department of Education's Office of Migrant Education for the purpose of improving the coordination between the Section 402 programs and the Chapter 1 Migrant Education programs. Since coordination may well be inhibited by differing definitions of eligible

"migrant", the Department is directed to explore, through proposed regulation or through an alternative method which allows for public comment, the idea of incorporating the Migrant Education Program's definition of migrant into the Section 402 definition of eligible migrant.

YOUTH OPPORTUNITIES UNLIMITED ("YOU") PROGRAM

H.R. 2039 establishes a new youth initiative, the Youth Opportunities Unlimited Program, under a new authority in part I of Title IV of JTPA. Currently, the Secretary of Labor is funding several demonstration programs, similar to this YOU proposal, in high poverty areas across the country. In reporting H.R. 2039, the Committee has expressed its support for the YOU proposal and seeks to make this worthwhile program permanent under JTPA.

Originally introduced by Representative Goodling as H.R. 2803 (the Administration's proposal) and by Representative Major Owens (D-New York) as H.R. 4937, the YOU program will assist communities with high concentrations of poverty in addressing the unmet education, training, and employment needs of their young people.

The Committee recognizes that young Americans residing in communities with high concentrations of poverty often face overwhelming barriers to employment that persist even during periods of broader economic prosperity. The Committee also recognizes that those youths most likely to be shut out of the labor market, including but not limited to young minority men in poor neighborhoods, have been bypassed by most JTPA programs and recent welfare reform efforts. In response to these concerns, the YOU program seeks to guarantee access to education and training for youth in high poverty areas.

The YOU program builds upon the concept of guaranteed access that was advanced in the youth entitlement proposals considered by the Committee in previous Congresses, but places increased emphasis on education and training services and remains within the constraints imposed by the annual appropriations process. The YOU program also draws heavily from recommendations advanced by the William T. Grant Foundation Commission on Work, Family and Citizenship in its proposals for expanding the education and employment opportunities of noncollege-bound youth. By adopting an incremental approach that moves in the direction of guaranteed access, the YOU program begins to respond to the repeated warnings of business leaders and Administration officials that America will be unable to compete in the 21st century unless every young person—including those in our poorest communities—is prepared to contribute as a talented and productive worker.

The YOU program addresses several other important national goals. By channeling modest discretionary funds directly to the poorest communities with the most persistent employment problems, the YOU program reinforces and enhances other efforts by the Committee to improve the targeting of scarce JTPA resources. The YOU program also promotes the development of integrated, coordinated service delivery at the local level by requiring communities to draw upon existing resources and providing federal match-

ing funds to fill major gaps in existing services. A core set of education, training, employment and support services will be provided to youths in participating communities, with an added emphasis on educational activities for those lacking a high school diploma or adequate basic academic skills.

In establishing the YOU program, the Committee intends to preserve the flexibility necessary for diverse communities to respond to their unique problems and needs. YOU grants will be available on an equitable basis to high poverty communities in both rural and urban areas, and participating communities will establish the goals and outcomes by which the effectiveness of their efforts will be measured. The Secretary of Labor also is required to provide technical assistance to participating communities, as well as to communities in need of assistance in preparing applications for YOU grants, in order to ensure that the broadest range of eligible communities are able to participate in the YOU program.

It is the Committee's intent that 401 and 402 grantees, providing employment and training services to Native Americans and farmworkers, will also be eligible to bid for these special grants.

Finally, the Committee believes that the nation's economic and social well-being depends upon our ability to develop mechanisms that ensure that every young person willing to participate in education or training has the opportunity to do so. The YOU program contains provisions for the thorough evaluation of activities undertaken by participating communities, including an assessment of the feasibility of extending a guarantee of access to education and training to young people in every community across America.

H.R. 2039 authorizes the YOU program at $50 million in FY 1991 and such sums as necessary thereafter. The federal grants will pay 50 percent of the cost of each YOU project, with the participating community providing matching funds from other federal, state, local or private resources. While the Committee hopes to encourage increased private, local and state support for education and training programs in high poverty areas through these provisions, the Committee also recognizes that some participating communities will be unable to raise sufficient matching funds from these sources. At a minimum, however, such communities will be required to devote federal funds available from sources other than the YOU program to this integrated and comprehensive youth initiative.

TRAINING INSTITUTES

The Committee instructs the Secretary to establish a national institute which shall develop a minimum of two regional institutes designed to strengthen the caliber of services provided by a variety of Federal, State, and local employment and training programs, including those not authorized under this Act.

It is the Committee's view that the national institute, utilizing the regional institutes, should make every effort to establish a plan to provide training to the staff of all service delivery areas by June 30, 1994, with a priority given to those service delivery area with the poorest performance records.

Notwithstanding Section 121, the Committee intends that the training curricula established by these institutes shall supersede such established by the Governor.

DISASTER RELIEF

The committee found that under the Secertary of Labor's discretionary authority under Title III, Section 302(a)(2) of this act, the Seretary spent approximately 40 percent of those funds or $23 million under current authority of Sections 323 (b) and 324 on disasters. $5 million went to South Carolina, $5 million to San Francisco, $3 million to the Virgin Islands, $800,000 to Florida, $750,000 to Alabama, $300,000 to Colorado, $300,000 to American Samoa, and $68,000 to North Carolina. $20 million of the $23 million was obligated under the job creation authority under Section 324 (a)(4).

The committee notes that public service employment was ended by the Reconciliation Act of 1981 and was reintroduced by the Secretary who chose to fund job creation in excess of the 10 percent minimum for all of Section 324(a).

The authority for demonstration programs, including job creation, under Section 324 of JTPA expires at the end of FY 1991. This authorization was for three years (FY 1989–91).

The Committee believes that authorization is needed to be able to respond to disasters within the framework of the Job Training Partnership Act and that the Secretary will spend Title III discretionary funds on plant closings.

Disaster relief under this legislation is triggered when there is a determination by the President that an emergency or major disaster has occurred under the Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 (1) and (2)). The trigger for this program is far more limited than the current one in section 323 which just requires an agreement between the Secretary and the Governor that an emergency exists.

The authorization of $15 million in this legislation is $5 million below what the Administration spent last year on job creation and $8 million below what was spent on disaster relief under this act.

JUVENILE OFFENDER DEMONSTRATION PROJECTS

Juvenile offenders are a hard-to-serve group, yet programs under this Act have never been specifically designed to serve them. These young people embody the essence of "hard-to-serve" and face innumerable "barriers to employment." Simultaneously, they need employment and education related services to deter them from continuing their delinquent behavior. There is a multitude of research and programming concerning institutionalization and community based programs to address the "corrective and rehabilitative" needs of juvenile offenders. Unfortunately, there are not adequate services and programs to prepare them for the future, primarily entering employment and breaking the cycle of crime. These youth need special assistance, especially as they approach the age at which they will enter the workforce. Because this population is often overlooked and requires special help, it is the sense of the Committee that juvenile offenders warrant a demonstration, under the Act, that will respond to their unique needs.

It is the sense of the Committee that those operating this demonstration program should make every effort to communicate and coordinate their activities with all entities working with the juvenile offender population.

The Secretary is directed to award grants on a priority basis to areas where there is a high concentration of juvenile offenders. This will assure that the overarching philosophy of this bill, to target funding to those most in need, will be present within the demonstration authorized by the Committee reported bill.

NONTRADITIONAL EMPLOYMENT FOR WOMEN

As of 1988, only nine percent of women workers were employed in nontraditional occupations. These occupations pay an average of 30 percent higher wages than occupations which are traditionally female; yet, since 1983, the number of women in nontraditional jobs has remained relatively unchanged at four percent of the total of U.S. workforce.

While more than 50 percent of those served by programs authorized by the Act are female, a General Accounting Office study of 1986 enrollments showed that less than nine percent of women in classroom training authorized by the Act were being trained in nontraditional occupations. Instead, female participants were most often trained in clerical and caretaking occupations in which placements occurred less often and at lower wages. Other studies (e.g., Jo Sanders, 1988, "Staying Poor: How the Job Training Partnership Act Fails Women") corroborate these findings. Given the low income and welfare status of most females participating in programs authorized by the Act, training in nontraditional and higher skill/higher wage occupations should be a priority. The goal of this legislation is to improve the wage-earning potential and economic self-sufficiency of all participants.

Although there is already language in the Act which encourages states and service delivery areas "to develop programs which contribute to occupational development, upward mobility, development of new careers and overcoming sex-stereotyping in occupations traditional for the other sex" (29 U.S.C. 1551(d)(2), serious efforts have not been made. Few states or localities have funded or implemented specific or systematic efforts to train and place women in nontraditional occupations.

At the national level, the Department of Labor has made attempts to stimulate the development of nontraditional training programs for women; however, these efforts have been sporadic and inadequate. In 1989, less than one percent of national program funds were earmarked by the Department of Labor specifically for nontraditional training and job placement for women.

The Committee intends that States and service delivery areas should select a broad spectrum of nontraditional occupations in which to train women, particularly those for which there is a high demand in the economy, such as technical and professional occupations, as well as skilled trades.

The Committee expects that, in order to more effectively plan for and monitor the training and placement of women in nontraditional occupations, states and service delivery areas will develop and

implement a data collection system. The bill requires that service delivery areas provide a statistical profile of women who participate in nontraditional training programs and to report on the extent to which the SDA has met its goals for training and placement. The Committee intends that this information will be used by States, service delivery areas, the Secretary of Labor, and Congress to monitor progress in nontraditional training and placement for women.

While program models for training women in a wide variety of nontraditional occupations have been successfully implemented since the mid-1960s, these models have not been institutionalized throughout the programs authorized by the Act. The Committee expects that requiring States and service delivery areas to set goals for training and placing women in nontraditional occupations will lead to institutionalization of these programs. In addition, the intent of the demonstration programs is to develop models and strategies to increase the numbers of women who enroll, succeed and gain employment in nontraditional occupations; and to overcome obstacles at the local and State levels which limit the access of women to such training.

VI. Congressional Budget Office Estimate

In compliance with clause 2(l)(3)(B) and (C) of rule XI of the Rules of the House of Representatives, the estimate prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974, submitted prior to the filing of this report, is set forth as follows:

U.S. Congress,
Congressional Budget Office,
Washington, DC, August 16, 1990.

Hon. Augustus F. Hawkins,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate of H.R. 2039, the Job Training Partnership Act Amendments of 1990, as ordered reported by the Committee on Education and Labor on July 31, 1990.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

Robert F. Hale
(For Robert D. Reischauer, Director).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 2039.

2. Bill title: The Job Training Partnership Act Amendments of 1990.

3. Bill status: As ordered reported by the House Committee on Education and Labor on July 31, 1990.

4. Bill purpose: To establish programs to prepare adults, youth and specific target populations facing serious barriers to employment for participation in the labor force by providing services that

will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1991	1992	1993	1994	1995
Title II programs:					
Estimated change in authorization	457	471	484	497	510
Estimated change in outlays	11	381	471	487	500
Title IV existing programs:					
Estimated change in authorizatioin	8	8	8	8	8
Estimated change in outlays	1	8	8	8	8
Title IV new programs:					
Youth opportunities unlimited:					
Estimated authorization level	50	52	54	56	58
Estimated outlays	1	36	49	53	55
Offender demonstration projects:					
Estimated authorization level	1	1			
Estimated outlays	(1)	1	1	(1)	(1)
Disaster relief:					
Estimated authorization level	15	16	16	17	17
Estimated outlays	15	16	16	17	17
Total authorization	531	548	562	578	593
Total outlays	28	442	545	565	580

[1] Less than $500,000.

The costs of this bill fall within budget function 500.

Basis of estimate: All estimates of authorizations assume full appropriations at the beginning of each fiscal year.

Except where noted, H.R. 2039 authorizes appropriations of specific amounts for fiscal year 1991 and such sums as may be necessary for the succeeding fiscal years. Such sums authorizations have been estimated by increasing the amount specified for 1991 to reflect projected inflation. Estimated outlays reflect spending patterns of current or similar programs.

TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

H.R. 2039 would authorize $1.1 billion in fiscal year 1991 for Title II Part A—Adult and Older Worker programs and $900 million for Title II Part B—Summer Youth Employment and Training programs. These programs are current authorized at such sums as may be necessary. In addition, H.R. 2039 would establish a Part C—Youth Services to Title II. The bill would authorize $1 billion in fiscal year 1991 for this program.

The CBO cost estimate for fiscal year 1991 for Title II—Parts A and B of this bill—reflects the difference between the 1990 appro-

priation ($2.4 billion) adjusted for inflation (CBO's estimate of the current 1991 authorization) and the 1991 authorization level stated in the bill. The estimates in 1992–1995 reflect the differnce between the 1990 appropriation adjusted for inflation and the 1991 authorization level stated in the bill adjusted for inflation.

In addition, H.R. 2039 would create a new youth program under Title II that would operate year-round. This program would provide the following services to participants where assessments of skill levels and needs indicate. The services would include: basic skills training, occupational skills training, pre-employment skills training and work experience.

TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

Existing title IV programs

H.R. 2039 would authorize $70 million in fiscal year 1991 for Native American programs and $70 million in fiscal yeaer 1991 for Migrant and Seasonal Farmworker programs. The CBO estimate for 1991 for these two programs reflects the difference between the 1990 appropriation ($127.2 million) adjusted for inflation and the amount specified for 1991 in the bill. The estimates for 1992–1995 reflect the difference between the 1990 appropriation adjusted for inflation and the 1991 authorization level stated in the bill adjusted for inflation.

New title IV programs

H.R. 2039 would es'ablish a Part I—Youth Opportunities Unlimited program. This program would guarantee access to education and job training to youth living in high-poverty areas and provide comprehensive education and training to disadvantaged youth who are underserved by federal education and job training programs. The Secretary of Labor would award grants for the federal share of such programs to those service delivery areas located in high-poverty areas. The bill would authorize $50 million in fiscal year 1991.

The bill would establish a new demonstration project—Offender Demonstration projects. The bill would allow the Secretary of Labor to award not more than 10 grants to service delivery areas to establish and operate juvenile offender demonstration projects that would provide counseling and supervision to participants for a minimum of 6 months. H.R. 2039 would authorize $1 million in fiscal year 1991 and 1992 for this program.

Finally, the bill would establish a Part J—Disaster Relief. The Secretary of Labor would allocate funds to the Governor of any state which has suffered a major disaster as defined in the Disaster Relief Act of 1974. The funds would be used exclusively to provide employment on projects that provide food, clothing, shelter, demolition, clean-up, renovation, and other related disaster relief assistance. H.R. 2039 would authorize $15 million in fiscal year 1991. The funds would remain available until expended.

6. Estimated cost to State and local government: The Youth Opportunities Unlimited program allows for a maximum of 50 percent of the project to be federally funded. The remaining cost must be assumed by state and local governments, or private entities.

7. Estimate comparison: CBO prepared an estimate of S. 543, the Job Training and Basic Skills Act of 1989, as ordered reported by the Senate Committee on Labor and Human Resources on July 26, 1989. The estimates in this bill are similar to those for S. 543.

8. Previous CBO estimate: None.

9. Estimate prepared by: Cory Leach.

10. Estimate approved by: C.G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

VII. Committee Estimate

With reference to the statement required by clause 7(a)(1) of Rule XIII of the Rules of the House of Representatives, the Committee adopts the estimate prepared by the Congressional Budget Office.

VIII. Inflationary Impact Statement

In compliance with clause 2(1)(4) of rule XI of the Rules of the House of Representatives, it is the judgment of the committee that the inflationary impact of this legislation as a component of the Federal budget is negligible.

IX. Oversight Findings of the Committee

Pursuant to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the oversight findings of the Committee are described in the Committee Action section of this report.

X. Oversight Findings and Recommendations of the Committee on Government Operations

In compliance with clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee states that no findings or recommendations of the Committee on Government Operations were submitted to this Committee on H.R. 2039.

XI. Section-by-Section Analysis

JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1990

Section. 1 Short title; references; table of contents

This legislation may be cited as the Job Training Partnership Act Amendments of 1990.

Section. 2 Authorization of appropriations

Amends Sec. 3 of JTPA as follows:

Authorizes $1.1 billion for part A of Title II, $900 million for part B of Title II, $1 billion for part C of Title II for FY 1991 and such sums as necessary for each succeeding fiscal year.

Authorizes for parts C, D, E, F, G, and H of Title IV for FY 1991 and each succeeding fiscal year an amount equal to 7% of the amount appropriated for parts A and C of Title II for that fiscal year.

Authorizes $70 million for FY 1991 and such sums as necessary thereafter for Section 401 of JTPA, Native American programs.

Authorizes $70 million for FY 1991 and such sums as necessary thereafter for Section 402 of JTPA, migrant and seasonal farmworkers programs.

Authorizes $50 million for FY 1991 and such sums as necessary for each succeeding year for part I of Title IV, the Youth Opportunities Unlimited Program.

Reserves an amount equal to .30 percent of the amount available for parts A and C of Title II for part H or Title IV, Training Institutes.

Section 3. Definitions

Amends Sec. 4(3) of JTPA by deleting the definition of "area of substantial unemployment" and adding a definition of "basic skills deficient" to mean reading or computing at or below the 8th grad level on a standardized or criterion reference test.

Amends Sec. 4(5) of JTPA to add "the Association of Farmworker Opportunity Programs, the Center for Employment Training" and "organizations serving older workers" to the definition of "community-based organizations."

Amends Sec. 4(8) of JTPA defining "economically disadvantaged" by (1) replacing "level determined in accordance with criteria established by the Director of the Office of Management and Budget" with "income guidelines promulgated each year by the Secretary of Health and Human Services," (2) expanding the definition to include those determined to be eligible for but not receiving food stamps, and (3) clarifying references to the McKinney Act.

Amends Sec. 4(10) of JTPA by replacing "handicapped individual" with "individual with disabilities."

Amends Sec. 4(22) of JTPA to update the definition of "State" by replacing "Trust Territories of the Pacific Islands" with "Freely Associated States, the Republic of Palau, and the Commonwealth of the Northern Marianas."

Amends Sec. 4(24) of JTPA by adding "drug and alcohol abuse counseling and referral, individual and family counseling" to the definition of "supportive services."

Amends Sec. 4(29) of JTPA to redefine "displaced homemaker."

Amends Sec. 4 of JTPA by adding new definitions for "enrollment," "participant," "termination," "school dropout," "JOBS," "program income," "interest income," and "profit."

Section 4. Amendments to part A of title I: Service delivery system

Private Industry Council.—Amends Sec. 102(a)(2) of JTPA by adding "local welfare agencies" and "organizations representing older workers" to the PIC membership.

Performance standards.—Amends Sec. 106 of JTPA as follows:

Directs the Secretary of Labor to assure the efforts of States and SDAs to serve those most in need.

Enhances the basic measures of performance for adults by adding additional credit for programs which produce increases in basic education and occupational skills along with either increases in employment or earnings or reduction in welfare dependency, reflecting the program's increased emphasis on providing long-term benefits to participants.

Requires the Secretary to consult with the Secretaries of Health and Human Services and Education, as appropriate, when prescribing standards to determine whether the basic measures of achievement for adults are being met.

Expands the factors on which performance standards may be based to include the achievement of basic education or workplace competencies.

Requires the PIC, in consultation with the local education agency, as appropriate, and according to standards prescribed by the Secretary, to determine education and employability competencies for youth.

Removes the requirement that the Secretary set performance standards related to cost.

Retains the requirement that the Secretary prescribe performance standards for programs authorized under Title V of JTPA.

Directs the Secretary to biennially prepare and submit a report to Congress regarding performance standards and their effectiveness.

Adds older workers to the list of special populations for whom the Secretary must prescribe variations in performance standards, and requires the Secretary to prepare and submit to Congress a report detailing and justifying any such modifications.

Requires the Governors to prescribe variations in performance standards, within parameters set by the Secretary, which reflect State demographic factors, and allows Governors to prescribe performance standards in addition to those established by the Secretary.

Retains current responsibilities for the Secretary regarding provision of information, technical assistance and guidance in setting performance standards at the local level, data collection, and performance standards review.

Retains the current role of the National Commission on Employment Policy in advising the Secretary on performance standards and evaluating the usefulness and impact of those performance standards.

Retains the requirement that the Secretary prescribe performance standards for Title III of JTPA.

Strengthens accountability procedures for achieving performance standards at the SDA level, directing Governors to (1) provide technical assistance to any SDA which fails to meet performance standards for a program year, (2) assume administrative responsibility for the SDA if the failure continues for two consecutive program years, and (3) incorporate the non-performing SDA into another contiguous SDA if after twelve months of alternative administrative arrangements performance remains unimproved, and directing the Secretary to carry out the incorporation should the Governor fail to act.

Requires the Secretary to establish a universal definition of placement, providing credit for placement related to training received, for use in the development of performance standards.

Selection of service providers.—Amends Sec. 107 of JTPA to require that consideration be given to provision of support services, including child care, when SDAs select service providers.

Limitations on certain costs.—Amends Sec. 108 of JTPA as follows:

Applies the cost limitations to funds expended for parts A and C of JTPA, limiting (1) the funds expended for administration to not more than 20 percent of funds expended, (2) the funds expended for administration and support services to not more than 40 percent of the funds expended, and (3) the funds expended for training-related services to not more than 15 percent of the funds expended for other than administration or support services.

Prohibits duplication of supportive services available to participants without cost through other services.

Prohibits the Governor from disapproving a local plan based solely on cost allocations if those allocations are in compliance with the cost limitations described above.

Retains the current exemption from cost limitations for rural CEPs.

Retains the current provisions forbidding exemptions from performance standards for any plan, regardless of the plan's cost allocations.

Adds normal tuition charges to costs which do not have to be broken down and charged to appropriate costs categories.

Section 5. Amendments to part B of title I: Additional State responsibilities

Governor's coordination and special services plan.—Amends Sec. 121(b) of JTPA to allow the plan to describe the State's criteria for accepting participant eligibility and provides that such criteria shall be deemed to meet Federal requirements if the plan is approved by the Secretary.

Adds a provision to require the Governor to take into account the staff training available through the National Training Institute established under part H of Title IV of JTPA when providing such training and to allow the Governor to adopt professional training curricula and administrative competency standards.

State Job Training Coordinating Council.—Amends Sec. 122(a)(3)(b)(i) of JTPA by adding "State agencies primarily responsible for the administration of programs for older workers" to the agencies eligible for representation on the Council.

State labor market information programs.—Amends Sec. 125(a) of JTPA by adding provision of training and technical assistance which supports career guidance and participant outcomes to the responsibilities of the State Occupational Information Coordinating Committee.

Identification of State requirements.—Adds a new Sec. 128 to JTPA requiring States to identify any State-imposed rule, regulation, policy, or performance standard.

Section 6. Amendments to part Co of title I: Program requirements for service delivery systems

General program requirements.—Amends Sec. 141(d)(3) of JTPA by exempting normal tuition charges for training or education from the requirement that all expenditures be broken down into components and charged to specific cost categories.

Amends Sec. 141(e) of JTPA to allow certain SDAs to serve participants outside of their boundaries when geographic conditions are met.

Amends Sec. 141(g) of JTPA to limit the duration of one-the-job training to a length which allows sufficient time to master the skills needed for the position but which never exceeds six months and to specify the procedures which must be used when a brokering contractor is used for on-the-job training placements.

Benefits.—Amends Sec. 142(A) of JTPA to extend exemptions from the Fair Labor Standards Act to certain SDAs.

Section 7. Amendments to part D of title I: Federal and fiscal administrative provisions

Prompt allocation of funds.—Amends Sec. 162 of JTPA to allow the use of advance payment methods when contracting with nonprofit organizations.

Fiscal controls; sanctions.—Amends Sec. 164 of JTPA as follows:

Adds a provision directing the Administrative Law Judge to ratably reduce any determination of unallowable expenditures to reflect mitigating circumstances caused by incorrect or insufficient direction from the Department of Labor.

Requires all entities receiving funds under JTPA to follow the directives of the Office of Managment and Budget Circulars or tne Common Rule for administration and cost principles.

Requires interest income to be retained by the SDA and establishes acceptable uses of such income by the SDA.

Prohibits the use of JTPA funds for fees or profits for governmental units, grantees or subgrantees and allows reasonable fees or profits for private, for-profit entities and cost-type administrative service contractors.

Requires the Governor to submit a semiannual report to the Secretary specifying the amount of expenditures by each SDA for each fiscal year.

Requires the Secretary to establish procedures allowing grantees to use current funds to cover costs from audit resolutions of past grants.

Revises the circumstances under which the Governor can take action for noncompliance with fiscal provisions of JTPA and requires the Secretary to take action should the Governor fail to implement corrective action.

Reports, recordkeeping, and investigations.—Amends Sec. 165 of JTPA to (1) require State, administrative entity and grant recipient reports prescribed by the Secretary to be made annually, (2) outline specific information which must be included in such reports, and (3) require the retention of records at each administrative level for a minimum of three years following the expiration of the grant.

Section 8. Amendment to title II: Improved delivery of services to hard-to-serve adults and older workers

Separates the current Title II-A program for adults and youth into Title II-A for adults and Title II-C for youth.

Part A: Adult and Older Worker Programs

Allotment.—Amends Sec. 201 of JTPA to set the allotment of funds, establishing the territorial allotment at $2.5 million, retaining the current formula for allocating the remainder of available funds to the States, and retaining the current minimum State allotment at .25 percent of available funds.

Within State allocation.—Amends Sec. 202 of JTPA to establish the allocation of funds within the State, retaining the current distribution formula and hold harmless requirements and establishing State set-asides of 8 percent for education, 3 percent for performance incentives, and 5 percent for auditing and administration.

Eligibility for services.—Amends Sec. 203 of JTPA to further target JTPA services to those most in need by (1) clarifying that employment is not a barrier to participation if other eligibility criteria are met and (2) requiring a minimum of 50 percent of participants to have one of four barriers to employment beyond poverty; retains current 10 percent window for those who are not economically disadvantaged.

Further amends Sec. 203 of JTPA to require SDAs to (1) make special efforts to serve older workers, expending at least 6 percent of funds on services for this population, (2) coordinate the delivery of services to the elderly with services available under Title V of the Older Americans Act, and (3) give preference to organizations with demonstrated success in serving the elderly when selecting service providers for this population.

Retains current provisions in Sec. 203 of JTPA governing the ratio of public to private on-the-job training positions.

Further amends Sec. 203 of JTPA to require the State Job Training Coordinating Council and the SDA to encourage the provision of child care by service providers.

Program design.—Adds a new Sec. 204 to JTPA to establish the basic design for programs funded under part A of Title II of JTPA, (1) requiring assessment of participants' skills and service needs, development of service strategies, progress review and, where needed, basic and occupational skills training, (2) requiring activities which are not designed to increase participant's education or to be combined with activities which are so designed, and (3) allowing counseling and supportive services to be continued for up to one year following termination from the program.

Use of funds.—Amends the current Sec. 204 of JTPA to clarify those activities for which funds can be used, (1) removing employment generating activities from the list of allowable activities and (2) separating the allowable activities into direct training services, training-related services, and participant support services.

Part B: Summer Youth Employment and Training Programs

Purpose, authorization of appropriations, allotment and allocation.—Retains the current statement of purpose (Sec. 251 of JTPA) and authorization of appropriations, allotment and allocation (Sec. 252 of JTPA).

Use of funds.—Amends Sec. 253 of JTPA to codify a 15-percent limitation on administrative cost for programs funded through part

B of Title II, allowing this limit to reach 20 percent for recipients whose grants are less than $200,000.

Further amends Sec. 253 to require SDAs to (1) expend funds for basic and remedial education, as described in the State's job training plan, (2) assess each participant's skill levels and service needs, using assessments conducted by other programs where available and appropriate, (3) develop a service strategy for participants based on such assessments, and (4) provide follow-up services for participants for whom a service strategy has been developed.

Limitations.—Retains current provisions of Sec. 254 of JTPA limiting the operation of programs funded under Title II-B of JTPA to summer months or their equivalent.

Amends Sec. 354 of JTPA to define youth as individuals aged 14 through 21.

Applicable provisions.—Retains current provisions of Sec. 255 of JTPA (1) establishing comparable authority, duties and responsibilities for various councils and officials under Title II-B as under Title II-A and Title II-C and (2) requiring written program goals and objectives.

Part C: Year-Round Youth Services

Amends Title II of JTPA to add a new part C providing year-round services for youth.

Allotment.—Adds Sec. 271 to JTPA to set the allotment of funds to States and territories, (1) establishing the territorial allotment at $2.5 million, (2) establishing a formula for allocation of the remainder of available funds to the States, with 60 percent allotted on unemployment, 20 percent allotted on the number of economically disadvantaged youth, and 20 percent allotted on the number of children receiving AFDC, and (3) establishing a minimum State allotment at .25 percent of available funds.

Within State allocation.—Adds Sec. 272 to JTPA to establish the allocation of funds within the State, duplicating the distribution formula used in making allotments to States, establishing hold harmless requirements, and establishing State set-asides of 8 percent for education, 3 percent for performance incentives, and 5 percent for auditing and administration.

Eligibility for services.—Adds Sec. 273 to JTPA to target services provided under part C of Title II of JTPA to those most in need by (1) defining youth as individuals aged 14 through 21, (2) expanding the eligibility for services to those receiving services through the National School Lunch Act, (3) requiring a minimum of 50 percent of participants to be out-of-school youth, of whom at least 50 percent must face an additional specified barrier to achievement, (4) requiring at least 50 percent of the in-school youth served to have an additional specified barrier to achievement, and (5) exempting up to 10 percent of the participants from the income guidelines if they face other potential barriers to employment.

Program design.—Adds Sec. 274 to JTPA to establish the basic design for programs funded under part C of Title II of JTPA, (1) requiring all such programs to be conducted on a year-round basis, (2) requiring assessment of participants' skills and service needs, development of service strategies, progress review and, where

needed, additional services designed to enhance basic and occupational skills, (3) requiring activities which are not designed to increase participants' education or occupational skills to be combined, sequentially or concurrently, with activities which are so designed, (4) allowing counseling and supportive services to be continued for up to one year following termination from the program, and (5) requiring SDAs to establish linkages with appropriate education agencies.

Use of funds.—Adds Sec. 275 to JTPA to establish activities for which funds can be used, including all activities allowable under part A of Title II of JTPA as well as limited community service.

Exemplary youth programs.—Adds Sec. 276 to JTPA to retain current exemplary youth programs, adding clarification to eligibility determinations and permissible employment expenses for participation in "entry employment experience programs."

Section 9. Amendments to part A of title IV: Employment and training programs for Native Americans and migrant and seasonal farmworkers

Native American programs.—Amends Sec. 401 of JTPA as follows:

Establishes a Division of Indian and Native American Programs within the Department of Labor as the administrative office for Native American employment and training programs, the Chief of which division must be chosen by the Secretary from a list of recommendations by the Native American Human Investment Council.

Establishes the duties of the Chief of the Division.

Provides special consideration in staffing the Division to (1) individuals who have field experience in Native American training programs and (2) Indians and Native Americans.

Provides one-time special consideration for transfers from the Division to individuals who are not Indians or Native Americans.

Establishes a Native American Human Investment Council, setting forth provisions regarding membership, terms of office, Council responsibilities, compensation, and administrative support.

Migrant and seasonal farmworker programs.—Amends Sec. 402 of JTPA to allow the Secretary to waive the requirement of biennial competition for grants for those grantees which have performed satisfactorily on an existing grant.

Section 10. Amendments to part B of title IV: Job Corps

Individuals eligible for the Job Corps.—Amends Sec. 423(1) of JTPA to expand the upper age limit for participation in Job Corps from 21 to 25.

Enrollment and assignment.—Amends Sec. 426 of JTPA to clarify that the Act allows participants to concurrently or sequentially participate in both the Job Corps and programs offered under Title II of JTPA.

Job Corps centers.—Amends Sec. 427(a)(2) of JTPA to increase the percentage of nonresidential Job Corps participants from 10% to 20% and to give priority for nonresidential slots to single parents with dependent children.

Further amends Sec. 427 to prohibit nongovernment entities from administering or managing Civilian Conservation Centers on public land.

Program activities.—Amends Sec. 428 of JTPA to direct the Secretary to provide child care, as feasible, to children of Job Corps participants and to provide alcohol and drug counseling and referral to Job Corps participants who need such services.

Job Corps centers for homeless families.—Adds a new Sec. 433A of JTPA to authorize the Secretary to provide services to eligible homeless individuals and their families at Job Corps Centers.

Requires each Center providing such services to develop an agreement with State and local agencies which ensures that (1) such agencies provide at least 50 percent of the funds and transition assistance in obtaining other public services.

Establishes eligiblity requirements for participants, requiring the Secretary to establish screening standards for participant selection.

Requires the Secretary to report to Congress, within three years of enactment, on program evaluation results and recommendations.

Special provisions.—Amends Sec. 437 of JTPA to require the Secretary to provide all nonprofit Job Corps contractors with a management fee of at least 1% of the contract amount.

Section 11. Amendments to part D of title IV: National activities

Research and demonstration.—Amends Sec. 452 of JTPA as follows:

Requires the Secretary to award up to ten grants for juvenile offender demonstration projects, giving priority to SDAs with high concentrations of juvenile offenders.

Requires such grant programs to provide (1) a minimum of six months of services to participants, (2) alcohol and drug abuse counseling, and (3) close supervision and follow-up for six months following termination from the program.

Establishes eligibility requirements for participants.

Authorizes $1 million for each of FY 1991 and 1992 for the grant program.

Training and technical assistance.—Amends Sec. 455 of JTPA to require the Secretary to provide guidance and technical assistance to States and SDAs regarding determination of participants' eligibility for programs under Title II of JTPA.

Section 12. Amendments to part E of title IV: Labor market information.

Cooperative Labor Market Information Program.—Amends Sec. 462 of JTPA to require the Bureau of Labor Statistics to (1) conduct research and development regarding national labor information data collection and dissemination and (2) determine procedures for maintaining and sharing such information while maintaining confidentiality.

Further amends Sec. 462 of JTPA to require the Secretary to report to Congress, within one year of enactment, on the costs and benefits of such data collection and dissemination.

Special Federal responsibilities.—Amends Sec. 463 of JTPA to add the Secretary of Health and Human Services to the list of De-

partment Secretaries with whom the Secretary of Labor must consult when reviewing national data collection issues.

Further amends Sec. 463 of JTPA to require the Secretary of Labor, through the National Occupational Information Coordinating Committee, to report to Congress biennially on recommendations, implications and schedules for developing a common core of labor market information.

National Occupational Information Coordinating Committee.—Amends Sec. 464 of JTPA to increase the authorization for the National Occupational Information Coordinating Committee from "not more than $5,000,000" to "not less than $6,000,000."

Further amends Sec. 464 of JTPA to direct the Committee to (1) pay special attention to the career development of youth and (2) conduct research and development to improve the coordination and compatibility of Federal, State and local human resource data collection systems.

Section 13. Establishing of new part H of title IV: Training institutes

Institutes authorized.—Adds a new Sec. 486 to JTPA to authorize the Secretary to establish by July 1, 1991, a national training institute, including a network of two regional institutes, to improve the services provided through Federal, State and local employment and training programs.

Allows the Secretary to award competitive grants to initiate and maintain the network, specifying entities which would be eligible for such grants.

Establishes the responsibilities of the network, including (1) development of curricula and provision of training, technical assistance and staff development, (2) preparation and dissemination of training curricula and materials, (3) dissemination of innovative and successful program models and training methods, and (4) establishment of a board of directors.

Allows the training institutes to charge tuition or fees to offset costs.

Requires the Secretary to provide training and technical assistance to the network.

Authorizes the Secretary to designate the national training institute as a clearinghouse for the creation and dissemination of innovative employment and training materials.

Requires the Secretary to consult with the Secretaries of Health and Human Services and Education to coordinate the activities of the network with those of other relevant organizations.

Section 14. Establishment of new part I of title IV: Youth Opportunities Unlimited Program

Statement of purpose.—Adds a new Sec. 491 to JTPA to set forth the purpose of the Youth Opportunities Unlimited (YOU) Program.

Program authorized.—Adds a new Sec. 492 to JTPA to authorize the Secretary to pay the Federal share for a national program of YOU grants.

Sets forth the provisions for awarding such grants, including (1) an equitable distribution of grants between rural and urban communities, (2) no more than 25 grants awarded in the first year of

the program, and (3) at least one grant each to grantees under Secs. 401 and 402 of JTPA, and criteria for selecting grantees.

Limits grant terms to three years, tying receipt of second and third year funds to performance in the preceding fiscal year.

Program requirements.—Adds a new Sec. 493 to JTPA to authorize communities to apply for YOU grants.

Limits the population of program target areas to not more than 25,000.

Makes all youth in the program target area aged 14 through 22 eligible to participate in the program.

Requires programs to establish an integrated service delivery system meeting specific minimum criteria.

Requires each grant program to (1) use a youth program model selected from a set of such models designated by the Secretary or an alternative model approved by the Secretary and (2) have an education component, outreach and recruitment, and measurable goals and outcomes.

Sets forth limitations on the use of funds and requirements for maintenance of State and local funding levels.

Application.—Adds a new Sec. 494 to JTPA to establish minimum requirements for grant applications.

Payment; Federal share.—Adds a new Sec. 495 to JTPA to establish the Federal share of funding for YOU programs at 50 percent.

Federal responsibilities.—Adds a new Sec. 496 to JTPA to establish the Federal responsibilities for the YOU program.

Requires the Secretary to provide technical assistance and authorizes the Secretary to reserve 5 percent of appropriations for this purpose.

Authorizes the Secretary to establish necessary reporting requirements for the YOU program and requires the Secretary to provide for an independent evaluation of the program, reporting the results of such evaluation to the President and the Congress by March 31, 1995.

Definitions.—Adds a new Sec. 497 to JTPA to provide definitions of "participating community," "high poverty area," and "target area."

Section 15. Establishment of new part J of title IV: Disaster relief

General authority.—Adds a new Sec. 499A to JTPA to require the Secretary to allocate funds appropriated under this section to the Governor of any State which has suffered a presidentially declared disaster.

Requires the Governor to allocate at least 80 percent of such funds to local governments within the affected disaster area and outlines the activities on which the Governor may expend the reserved 20 percent of funds.

Requires funds to be expended in consultation with Federal agencies providing disaster relief and affected PICs.

Use of funds.—Adds a new Sec. 499B to JTPA to establish those activities on which funds may be expended.

Limits eligibility for participation in disaster relief programs under this part to individuals who meet all of the following requirements: (1) otherwise eligible to participate in a program under

Title III of JTPA, (2) not already actively enrolled in a training program, and (3) unemployed as a consequence of the disaster.

Limits length of participation in the program to six months.

Requires the Secretary to prescribe regulations for the program.

Authorizes $15 million for FY 1991 and such sums as necessary for each succeeding year and authorizes funds appropriated to remain available until expended.

Section 16. Nontraditional employment

Sets forth congressional findings and a Statement of Purpose.

Amends Sec. 4 of JTPA to add the definition of "nontraditional employment."

Amends Sec. 104 of JTPA to require the job training plan to include a description of (1) goals for nontraditional employment training and placement for women and (2) success in achieving such goals, including statistical data.

Amends Sec. 121 of JTPA to require the Governor's Coordination and Special Services Plan to (1) include goals for nontraditional employment training and placement for women and a description of proposed efforts to achieve these goals and (2) allow the GCSSP activities to include provision of programs and related activities encouraging nontraditional employment for women.

Amends Sec. 122 of JTPA to establish the responsibilities of the State Job Training Coordinating Council regarding nontraditional employment for women.

Amends Sec. 123 of JTPA to require use of State 8 percent education set-aside funds to provide statewide coordinated approaches promoting nontraditional employment of women.

Amends Sec. 204 of JTPA to make activities promoting nontraditional employment for women allowable under part A of Title II.

Demonstration programs.—Adds a new Sec. 457 to JTPA to require the Secretary to use $1.5 million of the Secretary's discretionary funds for each of the fiscal years 1991 through 1993 to establish demonstration programs for nontraditional employment for women.

Limits the number of such grants to six in each fiscal year and requires the Secretary to consider certain criteria when awarding the grants.

Sets forth the criteria by which States receiving grants under this program can use the grant funds.

Allows the State to retain up to 10 percent of the grant funds for administration, coordination and technical assistance.

Requires the Secretary to evaluate programs carried out under this section.

Requires the Secretary to report to Congress, within five years of enactment, on the success of State efforts in promoting nontraditional employment for women and the effectiveness of the demonstration programs and to include in such report any recommendations for the continuance of the demonstration programs.

States that this section should not be interpreted as a statement of congressional support for comparable worth and that the section is nondiscriminatory.

Establishes the effective date of this section as the date of enactment.

Section 17. Uniform reporting requirements

Requires the Secretary of Labor, in cooperation with the Secretaries of other appropriate Departments, to identify a core set of consistently defined data elements for use in all Federal employment and training programs and to report to Congress by January 1, 1992, on such data elements.

Section 18. Effective date; transition

Establishes July 1, 1991 as the effective date for these amendments.

Requires the Secretary to promulgate rules and regulations necessary to ensure an orderly transition to and implementation of these amendments, providing for interim and final rules and listing specific areas which must be addressed by such rules and regulations.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as H.R. 2039 S.A.C. 9/6/90 reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Job Training Partnership Act

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TITLE I—JOB TRAINING PARTNERSHIP

PART A—SERVICE DELIVERY SYSTEM

Sec. 101. Establishment of service delivery areas.
Sec. 102. Establishment of private industry council.

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PART B—ADDITIONAL STATE RESPONSIBILITIES

Sec. 121. Governor's coordination and special services plan.
Sec. 122. State job training coordinating council.
Sec. 123. State education coordination and grants.
[Sec. 124. Training programs for older individuals.]

* * * * * * *

[TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

[PART A—ADULT AND YOUTH PROGRAMS

[Sec. 201. Allotment.
[Sec. 202. Within State allocation.
[Sec. 203. Eligibility for services.
[Sec. 204. Use of funds.
[Sec. 205. Exemplary youth programs.

[Part B—Summer Youth Employment and Training Programs

[Sec. 251. Purposes.
[Sec. 252. Authorization of appropriations; allotment and allocation.
[Sec. 253. Use of funds.
[Sec. 254. Limitations.
[Sec. 255. Applicable provisions.]

TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

PART A—ADULT AND OLDER WORKER PROGRAMS

Sec. 201. Allotment.
Sec. 202. Within State allocation.
Sec. 203. Eligibility for services.
Sec. 204. Program design.
Sec. 205. Use of funds.

Part B—Summer Youth Employment and Training Programs

Sec. 251. Purpose.
Sec. 252. Authorization of appropriations; allotment and allocation.
Sec. 253. Use of funds.
Sec. 254. Limitations.
Sec. 255. Applicable provisions.

Part C—Year-Round Youth Services

Sec. 271. Allotment.
Sec. 272. Within State allocation.
Sec. 273. Eligibility for services.
Sec. 274. Program design.
Sec. 275. Use of funds.
Sec. 276. Exemplary youth programs.

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TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

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PART H—TRAINING INSTITUTES

Sec. 486. Institutes authorized.

PART I—YOUTH OPPORTUNITIES UNLIMITED PROGRAM

Sec. 491. Statement of purpose.
Sec. 492. Program authorized.
Sec. 493. Program requirements.
Sec. 494. Application.
Sec. 495. Payment; federal share.
Sec. 496. Federal responsibilities.
Sec. 497. Definitions.

Part J—Disaster Relief Employment Assistance

Sec. 499A. General authority.
Sec. 499B. Use of funds.

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AUTHORIZATION OF APPROPRIATIONS

[SEC. 3. (a)(1) There are authorized to be appropriated to carry out part A of title II and title IV (other than part B of such title) such sums as may be necessary for fiscal year 1983 and for such succeeding fiscal year.

[(2) From the amount appropriated pursuant to paragraph (1) for any fiscal year, an amount equal to not more than 7 percent of the total amount appropriated pursuant to this section shall be available to carry out parts A, C, D, E, F, and G of title IV.

[(3) Of the amount so reserved under paragraph (2)—

[(A) 5 percent shall be available for part C of title IV, and

[(B) $2,000,000 shall be available for part F of title IV.

[(b) There are authorized to be appropriated to carry out part B of title II such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.]

SEC. 3. (a) TITLE II AUTHORIZATIONS.—

(1) PART A.—There are authorized to be appropriated to carry out part A of title II $1,100,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year.

(2) PART B.—There are authorized to be appropriated to carry out part B of title II $900,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year.

(3) PART C.—There are authorized to be appropriated to carry out part C of title II $1,000,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year.

[(c)(b)] There are authorized to be appropriated to carry out title III—

(1) $980,000,000 for fiscal year 1989; and

(2) such sums as may be necessary for each succeeding fiscal year.

(c) TITLE IV AUTHORIZATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out parts C, D, E, F, G, and H of title IV for fiscal year 1991 and each succeeding fiscal year an amount equal to 7 percent of the amount appropriated for parts A and C of title II for such fiscal year.

(2) NATIVE AMERICAN AND MIGRANT PROGRAMS.—There are authorized to be appropriated—

(A) $70,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year for the purpose of carrying out section 401;

(B) $70,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year for the purpose of carrying out section 402.

(3) YOU PROGRAM.—There are authorized to be appropriated $50,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year for the purpose of carrying out part I of title IV.

(4) RESERVATIONS.—The Secretary shall reserve from the amount appropriated under paragraph (1) for any fiscal year—

(A) an amount equal to 5 percent of the amount appropriated under paragraph (1) to carry out part C of title IV;

(B) $2,000,000 to carry out part F of title IV;

(C) an amount equal to 0.30 percent of the amount available for parts A and C of title II, for purposes of carrying out part H of title IV.

(d)(1) There are authorized to be appropriated $618,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this Act.

(2) There are authorized to be appropriated to carry out part J of title IV, $15,000,000 for fiscal year 1991 and such sums as may be necessary for each succeeding fiscal year. Funds appropriated pursuant to this paragraph are authorized to remain available for such part J until expended.

(e)(1) * * *

(2) No funds appropriated pursuant to this act may be used to carry out such title for any fiscal year unless funds appropriated to carry out [part A] *parts A and C* of title II exceed any change in the consumer price index from the amounts appropriated for the previous fiscal year to carry out such part.

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DEFINITIONS

SEC. 4. For the purposes of this Act, the following definitions apply:

(1) * * *

* * * * * * *

[(3) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain a program under part A of title II of this Act and which has an average rate of unemployment of at least 6.5 percent for the most recent twelve months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.]

(3) The term "basic skills deficient" means reading or computing skills at or below the 8th grade level on a generally accepted standard test or equivalent score on a criterion referenced test.

* * * * * * *

(5) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide job training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, National Council of La Raza, 70,001, Jobs for Youth, *the Association of Farmworker Opportunity Programs, the Center for Employment Training, organizations serving older workers,* organizations operating career intern programs, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, agencies serving the handicapped, including disabled veterans, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations), and organizations serving nonreservation Indians (including the National Urban Indian Council), as well as tribal governments and Native Alaskan groups.

* * * * * * *

(8) The term "economically disadvantaged" means an individual who (A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program; (B) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of un-

employment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty [level determined in accordance with criteria established by the Director of the Office of Management and Budget], *income guidelines promulgated each year by the Secretary of Health and Human Services* or (ii) 70 percent of the lower living standard income level; (C) is receiving *(or has been determined to be eligible to receive)* food stamps pursuant to the Food Stamp Act of 1977; (D) qualifies as a homeless individual under *subsections (a) and (c) of* section 103 of the Stewart B. McKinney Homeless Assistance Act; (E) is a foster child on behalf of whom State or local government payments are made; or (F) in cases permitted by regulations of the Secretary, is an adult handicapped individual whose own income meets the requirements of clause (A) or (B), but who is a member of a family whose income does not meet such requirements.

* * * * * * *

(10) The term [''handicapped individual''] *''individual with disabilities''* means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

* * * * * * *

(22) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the [Trust Territory of the Pacific Islands] *Freely Associated States, the Republic of Palau, and the Commonwealth of the Northern Marianas*.

* * * * * * *

(24) The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training program funded under this Act. Such supportive services may include transportation, health care, *drug and alcohol abuse counseling and referral, individual and family counseling* special services, and materials for the handicapped, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in-kind or through cash assistance.

* * * * * * *

[(29) The term "displaced homemaker" means an individual who—

[(A) was a full-time homemaker for a substantial number of years; and

[(B) derived the substantial share of his or her support from—

[(i) a spouse and no longer receives such support due to the death, divorce, permanent disability of, or permanent separation from the spouse; or

[(ii) public assistance on account of dependents in the home and no longer receives such support.]

(29) The term "displaced homemaker" means an individual who has been providing unpaid services to family members in the home and who—

(A) has been dependent either—

(i) on public assistance and whose youngest child is within 2 years of losing eligibility under part A of title IV of the Social Security Act, or

(ii) on the income of another family member but is no longer supported by that income, and

(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(30) The term "enrollment" means that an individual is determined eligible for participation in programs authorized and funded under this Act. The date of enrollment in the program shall be the first date, following intake, on which the participant started receiving subsidized employment, training, or services funded under this Act.

(31) The term "participant" means an individual who has been determined to be eligible to participate in the program and who is enrolled in and is receiving services funded and authorized by this Act.

(32) The term "termination" means the separation of an individual who was determined eligible for participation in an activity authorized and funded by this Act and who did, in fact, enroll in and receive services authorized and funded by this Act.

(33) The term "school dropout" means an individual who is neither attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(34) The term "JOBS" means the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act.

(35) The term "program income" means income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, and from the sale of commodities or items fabricated under a grant agreement (as such terms as defined by the Office of Management and Budget Circulars or the Common Rules, or both).

(36) The term "interest income" means interest earned by grantees and subgrantees on grants funds, in their possession (as such terms are defined by the Office of Management and Budget Circulars or the Common Rules, or both).

(37) The term "profit" means funds under this Act received in excess of costs incurred.

(38) The term "nontraditional employment" as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

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TITLE I—JOB TRAINING PARTNERSHIP

PART A—SERVICE DELIVERY SYSTEM

* * * * * * *

ESTABLISHMENT OF PRIVATE INDUSTRY COUNCIL

SEC. 102. (a) There shall be a private industry council for every service delivery area established under section 101, to be selected in accordance with this subsection. Each council shall consist of—

(1) * * *

(2) representatives of educational agencies (representatives of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, *local welfare agencies, organizations representing older workers,* community-based organizations, economic development agencies, and the public employment service.

* * * * * * *

JOB TRAINING PLAN

SEC. 104. (a) * * *

(b) Each job training plan shall contain—

(1) * * *

* * * * * * *

(5) goals for—

(A) the training of women in nontraditional employment; and

(B) the training-related placement of women in nontraditional employment and apprenticeships;

and a description of efforts to be undertaken to accomplish such goals, including efforts to increase awareness of such training and placement opportunities;

[(5)**]** *(6)* procedures, consistent with section 107, for selecting service providers which take into account past performance in job training or related activities, fiscal accountability, and ability to meet performance standards;

[(6)**]** *(7)* the budget for two program years and any proposed expenditures for the succeeding two program years, in such detail as is determined necessary by the entity selected to prepare this portion of the plan pursuant to section 103(b)(1)(B) and to meet the requirements of section 108;

[(7)**]** *(8)* a description of the procedures and methods of carrying out title V, relating to incentive bonus payments for the placement of individuals eligible under such title;

[(8)**]** *(9)* a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

[(9)**]** *(10)* if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of individual service delivery area programs, including—

(A) assessments of needs and problems in the labor market that form the basis for program planning;

(B) provisions for ensuring access by program participants in each service delivery area to skills training and employment opportunities throughout the entire labor market; and

(C) coordinated or joint implementation of job development, placement, and other employer outreach activities;

[(10)] *(11)* fiscal control, accounting, audit and debt collection procedures to assure the proper disbursal of, and accounting for, funds received under this title; [and]

[(11)] *(12)* procedures for the preparation and submission of an annual report to the Governor which shall include—

(A) a description of activities conducted during the program year;

(B) characteristics of participants; [and]

(C) the extent to which the activities exceeded or failed to meet relevant performance standards[.] ;

(D) the extent to which the service delivery area has met its goals for the training and training-related placement of women in nontraditional employment and apprenticeships; and

(E) a statistical breakdown of women trained and placed in nontraditional occupations, including—

(i) the type of training received, by occupation;

(ii) whether the participant was placed in a job or apprenticeship, and, if so, the occupation and the wage at placement;

(iii) the participant's age;

(iv) the participant's race; and

(v) information on retention of the participant in nontraditional employment; and

(13) a description of plans for—

(A) training in nontraditional employment; and

(B) training-related placement in nontraditional employment and apprenticeships.

* * * * * * *

[PERFORMANCE STANDARDS

[SEC. 106. (a) The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that—

[(a) it is essential that criteria for measuring the return on this investment be developed; and

[(2) the basic return on the investment is to be measured by the increased employment and earnings of participants and the reduction in welfare dependency.

[(b)(1) The basic measure of performance for adult training programs under title II is the increase in employment and earnings and the reductions in welfare dependency resulting from participation in the program. In order to determine whether these basic measures are achieved, the Secretary shall prescribe standards on the basis of appropriate factors which may include (A) placement in unsubsidized employment, (B) retention in unsubsidized employ-

ment, (C) the increase in earnings, including hourly wages, and (D) reduction in the number of individuals and families receiving cash welfare payments and the amounts of such payments.

[(2) In prescribing standards under this section the Secretary shall also designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described in paragraph (1), shall be (A) attainment of recognized employment competencies recognized by the private industry council, (B) elementary, secondary, and postsecondary school completion, or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships, or enlistment in the Armed Forces.

[(3) The standards shall include provisions governing—

[(A) the base period prior to program participation that will be used;

[(B) a representative period after termination from the program that is a reasonable indicator of postprogram earnings and cash welfare payment reductions; and

[(C) cost-effective methods for obtaining such data as is necessary to carry out this section, which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, Federal Insurance Contributions Act records, State aid to families with dependent children records, statistical sampling techniques, and similar records or measures.

[(4) The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures.

[(5) The Secretary shall prescribe performance standards under this section for programs authorized by title V, relating to the placement of individuals eligible under such title, in accordance with the criteria specified in section 511(c).

[(c) Within six months after the date of the enactment of this Act, the Secretary shall establish inital performance standards which are designed to contribute to the achievement of the performance goals set forth in subsection (b)(1), based upon data accumulated under the Comprehensive Employment and Training Act, from the National Commission for Employment Policy, and from other appropriate sources. In the development of the initial standards under this subsection, the Secretary shall relate gross program expenditures to the accomplishment of program goals set forth in subsection (b)(1).

[(d)(1) The Secretary shall, not later than January 31, 1984, prescribe performance standards for the first program year under this Act to measure the results of the participation in the program to achieve the goals set forth in subsection (b)(1) based upon the initial standards established in subsection (c).

[(2) The Secretary, not later than six months after the completion of the first two program years, shall prepare and submit a report to the Congress containing the performance standards established under paragraph (1) of this subsection, together with an analysis of the manner in which the performance standards contribute to the achievement of the goals set forth in subsection (b)(1), including the relative importance of each standard to the accomplishment of such goals.

[(3) The Secretary shall prescribe variations in performance standards for special populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964, and May 7, 1975, and offenders, taking into account their special circumstances.

[(4)(A) The Secretary may modify the performance standards under this subsection not more often than once every two program years and such modifications shall not be retroactive.

[(B) The Secretary shall prepare and submit a report to the Congress containing any modifications established under subparagraph (A), and the reasons for such modifications.

[(e)(1) Each Governor may prescribe, within paramaters established by the Secretary, variations in the standards under this subsection and subsection (g) based upon specific economic, geographic, and demographic factors in the State and in substate areas and in service delivery areas within the State, the characteristics of the population to be served, and the type of services to be provided.

[(2) The Secretary shall—

[(A) provide improved information and technical assistance on performance standards adjustments;

[(B) collect data that better specifies hard-to-serve individuals and long-term welfare dependency; and

[(C) provide guidance on setting performance goals at the service provider level that encourages increased service to the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.

The Secretary shall also reexamine performance standards to ensure that such standards provide maximum flexibility in serving the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.

[(f) The National Commission for Employment Policy shall (1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of paramenters for variations of such standards referred to in subsection (e), (2), evaluate the usefulness of such standards as measures of desired performance, and (3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such service in service delivery areas.

[(g)(1) The Secretary shall prescribe performance standards for programs under title III based on placement and retention in unsubsidized employment.

[(2) Any performance standard that may be prescribed under paragraph (1) of this subsection shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

[(h)(1) The Governor shall provide technical assistance to programs which do not meet performance criteria. If the failure to meet performance standards persists for a second year, the Gover-

nor shall impose a reorganization plan. Such plan may restructure the private industry council, prohibit the use of designated service providers or make such other changes as the Governor deems necessary to improve performance. The Governor may also select an alternate entity to administer the program for the service delivery area.

[(2) The alternate administrative entity may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local goverment in the service delivery area.

[(3) No change may be made under this subsection without an opportunity for a hearing before a hearing officer.

[(4) The decision of the Governor may be appealed to the Secretary, who shall make a final decision within 60 days of the receipt of the appeal.]

PERFORMANCE STANDARD

SEC. 106. (a) FINDINGS.—The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that—

(1) it is essential that criteria for measuring the return on this investment be developed; and

(2) the basic return on the investment is to be measured by increased employment and earnings of participants, the reductions in welfare dependency, and increased education attainment and occupational skills.

(b) PERFORMANCE STANDARDS.—

(1) SERVICE AND OUTCOME OBJECTIVE.—In prescribing performance standards for parts A and C of title II, the Secretary shall assure that States and service delivery areas will make efforts to increase services to and positive outcomes for hard-to-serve individuals.

(2) EMPLOYMENT, EARNINGS, AND WELFARE DEPENDENCE.—The basic measure of performance for adult training programs under part A of title II is the increase in employment and earnings and the reductions in welfare dependency resulting from participation in the program. Such basic measure shall provide additional credit for participation in the program that produces an increase in basic education and occupational skills, when such increase is in combination with an increase in employment and earnings or a decrease in welfare dependency. In order to determine whether these basic measures are achieved, the Secretary, in consultation with the Secretaries of Education and Health and Human Services (as appropriate), shall prescribe standards on the basis of appropriate factors which may include—

(A) placement in unsubsidized employment,

(B) retention in unsubsidized employment,

(C) the increase in earnings, including hourly wages,

(D) reduction in the number of individuals and families receiving cash welfare payments and the amounts of such payments, and

(E) the attainment of basic education (such as acquisition of a high school diploma or a general equivalency diploma, significant gains in reading or math, or the attainment of English language proficiency) or workplace competencies necessary for successful retention in the labor market.

(3) YOUTH PROGRAM STANDARDS.—In prescribing standards for training programs under part C of title II, the Secretary shall also designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described in paragraph (2), shall be—

(A) attainment of education and employability competencies, as determined by the private industry council, in consultation with local educational agencies, where appropriate, and subject to standards prescribed by the Secretary (by regulation),

(B) secondary and postsecondary school completion, or the equivalent thereof, and

(C) enrollment in other education, training, or employment programs or apprenticeships, or enlistment in the Armed Forces.

(4) ADDITIONAL PROVISIONS.—The standards shall include provisions governing—

(A) the base period prior to program participation that will be used;

(B) a representative period after termination from the program that is a reasonable indicator of postprogram earnings and cash welfare payment reductions; and

(C) cost-effective methods for obtaining such data as is necessary to carry out this section, which, notwithstanding any other provisions of law, may include access to earnings records, State employment security records Federal Insurance Contributions Act records, State aid to families with dependent children records, statistical sampling techniques, and similar records or measures.

(5) TITLE V STANDARDS.—The Secretary shall prescribe performance standards under this section for programs authorized by title V, relating to the placement of individuals eligible under such title, in accordance with the criteria specified in section 511(c).

(c) BIENNIAL REPORTS.—The Secretary shall biennially prepare and submit a report to the Congress containing the performance standards established under this section, together with an analysis of the manner in which the performance standards contribute to the achievement of the goals set forth in subsection (b)(2), including the relative importance of each standard to the accomplishment of such goals. Such report shall contain the recommendations of performance standards technical work groups convened by the Department.

(d) VARIATIONS IN AND MODIFICATIONS OF PERFORMANCE STANDARDS.—

(1) VARIATIONS.—The Secretary shall prescribe variations in performance standards for special populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964, and

May 7, 1975, offenders, individuals with disabilities, and older workers, taking into account their special circumstances.

(2) MODIFICATIONS.—(A) The Secretary may modify the performance standards under this subsection not more often than once every two program years, and such modifications shall not be retroactive.

(B) The Secretary shall prepare and submit a report to the Congress containing any modifications established under subparagraph (A), and the reasons for such modifications. If appropriate, such report may be made a part of the report submitted under subsection (c).

(e) STATE PERFORMANCE STANDARDS.—

(1) GOVERNOR'S AUTHORITY.—Each Governor shall prescribe, within parameters established by the Secretary, variations in the standards under subsections (b) and (g) based upon specific economic, geographic, and demographic factors (such as age and disability) in the State and in substate areas and in service delivery areas within the State, the characteristics of the population to be served, and the type of services to be provided.

(2) ADDITIONAL STANDARDS.—Each Governor may prescribe performance standards for programs under titles II and III that are in addition to those standards established by the Secretary under subsections (b) and (g).

(3) SECRETARY'S RESPONSIBILITY.—The Secretary shall—

(A) provide improved information and technical assistance on performance standards variations;

(B) collect data that better specifies hard-to-serve individuals and long-term welfare dependency;

(C) provide guidance on setting performance standards at the service provider level that encourages increased service to the hard-to-serve, particularly long-term welfare recipients, including title IV of the Sovial Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income; and

(D) review performance standards to ensure that such standards provide maximum flexibility in serving the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.

(f) ADVICE FROM THE NATIONAL COMMISSION ON EMPLOYMENT POLICY.—The National Commission for Employment Policy shall (1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (e), (2) evaluate the usefulness of such standards as measures of desired performance, and (3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such services in service delivery areas.

(g) TITLE III STANDARDS.—

(1) IN GENERAL.—The Secretary shall prescribe performance standards for programs under title III based on placement and retention in unsubsidized employment.

(2) ALLOWANCE FOR COST DIFFERENCES.—Any performance standard that may be prescribed under paragraph (1) of this subsection shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

(h) COMPLIANCE.—

(1) TECHNICAL ASSISTANCE; PERFORMANCE IMPROVEMENT STRATEGY.—The Governor shall provide technical assistance to service delivery areas within the State that fail to meet performance standards for any given program year. As part of the technical assistance, the Governor, with the service delivery area, shall develop a performance improvement strategy as a modification to its job training plan.

(2) ASSUMPTION OF ADMINISTRATIVE RESPONSIBILITIES.—If the failure to meet performance standards persists for two consecutive years, the Governor shall assume administrative responsibilities for such service delivery area until alternative arrangements can be implemented to correct the failure, including restructuring the private industry council, prohibiting the use of selected service providers, or selecting an alternative administrative entity.

(3) INCORPORATION.—If such alternative arrangements do not result in improved performance within 12 months after implementation, the Governor shall, in consultation with the State job training coordinating council, and without recourse, incorporate such service delivery area into another contiguous service delivery area.

(4) SECRETARY TO ENFORCE.—If the Governor, for any reason, fails to implement the provisions of this subsection, the Secretary, after notification of the Governor, shall take corrective actions required by paragraph (3).

(i) DEFINITION OF PLACEMENT.—The Secretary of Labor shall establish a universal definition of placement to be used in the development of performance standards. Such definition shall give credit for employment obtained, to the extent practicable, in job areas related to the training and training related services received by the participant.

SELECTION OF SERVICE PROVIDERS

SEC. 107. (a) The primary consideration in selecting agencies or organizations to deliver services within a service delivery area shall be the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, in terms of the likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. In complying with this subsection, proper consideration shall be given to community-based organizations as service providers. *In addition, consideration shall be given to provision of appropriate supportive services, including child care.*

* * * * * * *

[LIMITATION ON CERTAIN COSTS

[SEC. 108. (a) Not more than 15 percent of the funds available to a service delivery area for any fiscal year for programs under part A of title II may be expended for the cost of administration. For purposes of this paragraph, costs of program support (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 204(28) shall not be counted as part of the cost of administration.

[(b)(1) Not more than 30 percent of the funds available to a service delivery area for any fiscal year for programs under part A of title II may be expended for administrative costs (as defined under subsection (a)) and costs specified in paragraph (2).

[(2)(A) For purposes of paragraph (1), the costs specified in this paragraph are—

[(i) 50 percent of any work experience expenditures which meet the requirements of paragraph (3);

[(ii) 100 percent of the cost of any work experience program expenditures which do not meet the requirements of paragraph (3);

[(iii) supportive services; and

[(iv) needs-based payments described in section 204(27).

[(B) For purposes of paragraph (1), the costs specified in this paragraph do not include expenditures for tryout employment which meets the requirements of section 205(d)(3)(B).

[(3) For purposes of paragraph (2), a work experience expenditure meets the requirements of this paragraph if—

[(A) the work experience is of not more than 6 months' duration and is combined with a classroom or other training programs;

[(B) an individual participant is prohibited from participating in any other work experience program following participation in a program meeting the requirements of this paragraph;

[(C) the classroom or other training program component is specified in the preemployment contract or meets established academic standards; and

[(D) wages paid in the work experience program do not exceed the prevailing entry-level wage for the same occupation in the same labor market area.

[(c)(1) Notwithstanding subsection (b), expenditures may be made in excess of the limitation contained in such subsection if such expenditures are made in accordance with the requirements of this subsection.

[(2) Expenditures may be made in excess of the limitation contained in subsection (b) in any service delivery area if—

[(A) the private industry council for such area initiates a request for such excess costs; and

[(B) excess costs are due to one or more of the following conditions in such area:

[(i) an unemployment rate (in the service delivery area or the portion within which services resulting in excess costs are to be provided) which exceeds the national average unemployent rate by at least 3 percentage points, and

the ratio of current private employment in population in such area or portion is less than the national average of such ratio;

[(ii) the job training plan for such area proposes to serve a disproportionately high number of participants from groups requiring exceptional supportive service costs, such as handicapped individuals, including disabled veterans, offenders, and single heads of households with dependent children;

[(iii) the cost of providing necessary child care exceeds one-half of the costs specified in paragraph (2) of subsection (b);

[(iv) the costs of providing necessary transportation exceeds one-third of the costs specified in paragraph (2) of subsection (b); or

[(v) a substantial portion of the participants in programs in the service delivery area are in training programs of 9 month's duration or more.

[(3) Expenditures may be made in excess of the limitation contained in subsection (b) if the need for and the amount of the excess is stated in the job training plan (or modification thereof) for the service delivery area and such plan demonstrates that administrative costs comply with subsection (a) of this section.

[(4) The provisions of this subsection shall not be available to the extent that supportive services provided under the job training plan duplicate services provided by any other public or private source that are available to participants without cost.

[(5) The Governor shall not disapprove any plan (or modification thereof) on the basis of any statement of the need for and amount of exces costs in the job training plan if such plan or modification meets the requirements of this subsection.

[(d) The provisions of this section do not apply to any service delivery area designated pursuant to section 101(a)(4)(A)(iii).

[(e) This section shall not be construed to exempt programs under an approved plan from the performance standards established under section 106.]

LIMITATION ON CERTAIN COSTS

SEC. 108. (a) APPLICABILITY.—The cost limitations contained in this section shall apply separately to (1) the funds expended for programs under part A of title II, and (2) the funds expended for programs under part C of such title.

(b) GENERAL ADMINISTRATION COST LIMITATION.—Not more than 20 percent of the funds expended by a service delivery area for any fiscal year for programs under either part A or C of title II may be expended for the cost of administration. For purposes of this subsection, administrative costs are those direct, indirect, and overhead costs associated with the management and supervision of the program which do not directly and immediately affect participants. Costs as may be attributable to the development of training described in section 205(1)(A)(xv) shall not be counted as a part of the cost of administration.

(c) COMBINED COST LIMITATIONS.—

(1) LIMITATIONS.—Not more than 40 percent of the funds expended by a service delivery area for any fiscal year for programs under either part A or C of title II may be expended for administrative costs (as defined under subsection (b)) and costs specified in paragraph (2).

(2) COST COMBINATIONS.—(a) For purposes of paragraph (1), the costs specified in this paragraph are—

(i) 50 percent of any work experience expenditures which meet the requirements of paragraph (3);

(ii) 100 percent of the cost of any work experience program expenditures which do not meet the requirements of paragraph (3); and

(iii) participant support services as described in section 205(2).

(B) For purposes of paragraph (1), the costs specified in subparagraph (A) of this paragraph do not include expenditures for tryout employment which meet the requirements of section 277(d)(3)(B).

(3) COST REQUIREMENTS.—For purposes of paragraph (2), a work experience expenditure meets the requirements of this paragraph if—

(A) the work experience is of not more than 6 months' duration and is combined (concurrently or consecutively) with a classroom or other training program;

(B) an individual participant is prohibited from participating in any other work experience program following participation in a program meeting the requirements of this paragraph;

(C) the classroom or other training program component is specified in a preemployment contract or meets established academic standards; and

(D) wages paid in the work experience program do not exceed the prevailing entry-level wage for the same occupation in the same labor market area.

(d) LIMITATION ON TRAINING RELATED SERVICES.—Of the remainder of the funds expended for programs under either part A or C of title II (after deduction of the amounts expended for purposes described in subsections (b) and (c)), not more than 15 percent may be expended for training related services described in section 205(1)(B).

(e) DUPLICATIVE SERVICES PROHIBITED.—Participant support services (as described in section 205(2)) provided under the job training plan shall not duplicate services provided by any other public or private sources that are available to participants without cost.

(f) LIMITATIONS ON GOVERNOR'S AUTHORITY TO DISAPPROVE.—The Governor shall not disapprove any plan (or modification thereof) on the basis of costs in the job training plan if such plan or modification meets the requirements of this subsection.

(g) RURAL CEP'S.—The provisions of this section do not apply to any service delivery area designated pursuant to section 101(a)(4)(A)(iii).

(h) NO EXEMPTION FROM PERFORMANCE STANDARDS.—This section shall not be construed to exempt programs under an approved plan from the performance standards established under section 106.

(i) CHARGING TO COST CATEGORIES REQUIRED.—Except as provided in section 141(d)(3), expenditures of programs under this Act shall be charged to appropriate cost categories.

* * * * * * *

PART B—ADDITIONAL STATE RESPONSIBILITIES

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

SEC. 121. (a) * * *

(b)(1) * * *

(2) The plan may describe the State's criteria for acceptable verification and documentation of participant eligibility including that of other related programs not authorized under this Act. If such criteria are approved by the Secretary, they shall be deemed to meet the requirements of section 203(a) and 273.

[(2)**]** *(3)* The plan shall describe the projected use of resources, including oversight and support activities, priorities and criteria for State incentive grants, and performance goals for State supported programs.

(4) The plan shall include goals for—

(A) the training of women in nontraditional employment through funds available under the Job Training Partnership Act, the Carl D. Perkins Vocational Education Act, and other sources of Federal and State support;

(B) the training-related placement of women in nontraditional employment and apprenticeships;

(C) a description of efforts to be undertaken to accomplish such goals, including efforts to increase awareness of such training and placement opportunities; and

(D) a description of efforts to coordinate activities provided pursuant to the Job Training Partnership Act, the Carl D. Perkins Vocational Education Act to train and place women in nontraditional employment.

[(3)**]** *(5)* The State plan shall include a description of the manner in which the State will encourage the successful carrying out of—

(A) training activities for eligible individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; and

(B) the training services, outreach activities, and preemployment supportive services furnished to such individuals.

[(4)**]** *(6)* The Governor shall report to the Secretary the adjustments made in the performance standards and the factors that are used in making the adjustments.

[(5)**]** *(7)* If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing these changes.

* * * * * * *

(c) Governor's coordination and special services activities may include—

(1) * * *

* * * * * * *

(9) providing programs and related services to encourage the recruitment of women for training, placement, and retention in nontraditional employment;

[(9)] *(10)* providing preservice and inservice training for planning, management, and delivery staffs of administrative entities and private industry councils, as well as contractors for State supported programs; and

[(10)] *(11) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs, including Veterans' Administration programs.*

* * * * * * *

(3) In providing for preservice and inservice training for planning, management, and program staffs of administrative entities and private industry councils, as well as contractors for State supported programs, as provided by subsection (c)(9), the Governor shall take into account the training available under part H of title IV and shall have authority to adopt, consistent with the provisions of this Act, professional training curricula and administrative competency standards, which reflect the laws, regulations, guidelines, and policies adopted by the State, providing for implementation of the programs under this Act.

STATE JOB TRAINING COORDINATING COUNCIL

SEC. 122. (a)(1) Any State which desires to receive financial assistance under this Act shall establish a State job training coordinating council (hereinafter in this section referred to as the "State council"). Funding for the council shall be provided pursuant to **[**section 202(b)(4)**]** *sections 202(b)(3) and 272(b)(3).*

* * * * * * *

(3) The State job training coordinating council shall be composed as follows:

(A) * * *

(B) Thirty percent of the membership of the State council shall be—

(i) representatives of the State legislature and State agencies and organizations, such as the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, *State agencies primarily responsible for administration of programs for older workers*, and such other agencies as the Governor deter-

mines to have a direct interest in employment and training and human resource utilization within the State; and

* * * * * * * *

(b) The State council shall—

(1) * * *

* * * * * * * *

(5) review the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) and make recommendations for technical assistance and corrective action, based on the results of such reports;

(6) prepare a summary of the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) detailing promising service delivery approaches developed in each service delivery area for the training and placement of women in nontraditional occupations, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

(7) review the activities of the Governor to train, place, and retain women in nontraditional employment, including activities under section 123, prepare a summary of activities and an analysis of results, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

(8) consult with the sex equity coordinator established under section 111(b) of the Carl D. Perkins Vocational Education Act, obtain from sex equity coordinator a summary of activities and an analysis of results in training women in nontraditinal employment under the Carl D. Perkins Vocational Education Act, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(5)**]***(9)* review and comment on the State plan developed for the State employment service agency;

[(6)**]***(10)* make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist service delivery areas in carrying out the purposes of this Act;

[(7)**]***(11)* (A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State, and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the measures taken pursuant to section 113(b)(9) of the Carl D. Perkins Vocational Education Act; and

[(8)**]***(12)* review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies

on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

* * * * * * *

STATE EDUCATION COORDINATION AND GRANTS

SEC. 123. (a) The sums available for this section pursuant to [section 202(b)(1)] *sections 202(b)(1) and 272(b)(1)* shall be used by the Governor to provide financial assistance to any State education agency responsible for education and training—

(1)* * *

(2) to facilitate coordination of education and training services for eligible participants through such cooperative agreements; [and]

(3) to provide—

(A) literacy training to youth and adults;

(B) dropout prevention and reenrollment services to youth, giving priority to youth who are at risk of becoming dropouts;

(C) a State-wide school-to-work transition program operated in a manner consistent with section 205(e); or

(D) any combination of the activities described in subparagraphs (A), (B), and (C) of this paragraph[.]; *and*

(4) to provide statewide coordinated approaches, including model programs, to train, place, and retain women in nontraditional employment.

(c)(1)* * *

(2)(A)* * *

(B) At least 80 percent of the funds available under this section shall be used for clauses [(1) and (3)] *(1), (3) and (4)* of subsection (a) for the Federal share of the cost of carrying out activities described in such clauses. For the purpose of this subparagraph, the Federal share shall be the amount provided for in the cooperative agreements in subsection (b).

(3) Not less than 75 percent of the funds available for activities under clauses [(1) and (3)] *(1), (3), and (4)* of subsection (a) shall be expended for activities for economically disadvantaged individuals.

* * * * * * *

[TRAINING PROGRAMS FOR OLDER INDIVIDUALS

[SEC. 124. (a) From funds available for use under section 202(b)(2) the Governor is authorized to provide for job training programs which are developed in conjunction with service delivery areas within the State and which are consistent with the plan for the service delivery area prepared and submitted in accordance with the provisions in section 104, and designed to assure the training and placement of older individuals in employment opportunities with private business concerns.

[(b) In carrying out this section, the Governor shall, after consultation with appropriate private industry councils and chief elected officials, enter into agreements with public agencies, nonprofit private organizations, including veterans organizations, and private business concerns.

[(c) The Governor shall give consideration to assisting programs involving training for jobs in growth industries and jobs reflecting the use of new technological skills.

[(d) An individual shall be eligible to participate in a job training program under this section only if the individual is economically disadvantaged and has attained 55 years of age.]

STATE LABOR MARKET INFORMATION PROGRAMS

SEC. 125. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under [section 202(b)(4)] *sections 202(b)(3) and 272(b)(3)* and section 461(b), the Governor shall designate the State occupational information coordinating committee or other organizational unit to be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system, which shall—

(1) * * *

* * * * * * *

(4) publish and desseminate labor market and occupational supply and demand information and individualized career information to State agencies, are a public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices; [and]

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system[.]; *and*

(6) provide training and technical assistance to support comprehensive career guidance and participant outcome activities for local programs assisted under this Act.

* * * * * * *

IDENTIFICATION OF STATE REQUIREMENTS

SEC. 128. The imposition of any State rule, regulation, policy, or performance standard relating to the administration and operation of programs funded by this Act (including those based on State interpretation of any Federal law, regulation, or guideline) shall be identified as a State imposed requirement.

PART C—PROGRAM REQUIREMENTS FOR SERVICE DELIVERY SYSTEM

GENERAL PROGRAM REQUIREMENTS

SEC. 141. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

(a) * * *

* * * * * * *

(d)(1) * * *

* * * * * * *

(3)(*A*) Commercially available training packages, including advanced learning technology, may be purchased for off-the-shelf prices and without requiring a breakdown of the cost components

of the package if such packages are purchased competitively and include performance criteria.

(B) Tuition charges for training or education provided by an institution of higher education or postsecondary institution which are not more than the charges for such training or education made available to the general public do not require a breakdown of cost components.

(e) Only eligible individuals residing in the service delivery area may be served by employment and training activities funded under title II, except that the job training plan may provide for limited exceptions to this requirement, including exceptions necessary to permit services to homeless individuals who cannot prove residence within the service delivery area, *and services by a services delivery area that is a city or county to individuals who are residents of either that city or that county if the city is located within the county's boundaries and is a separate service delivery area.*

* * * * * * *

(g)*(1)* Payments to employers for on-the-job training shall not, during the period of such training, average more than 50 percent of the wages paid by the employer to such participants, and payments in such amount shall be deemed to be in compensation for the extraordinary costs associated with training participants under this Act and in compensation for the costs associated with the lower productivity of such participants.

(2) On-the-job training authorized under the Act shall be limited in duration to a period not in excess of that generally required for acquisition of skills needed for the position within a particular occupation, but in no event shall exceed 6 months. In making this determination, consideration shall be given to recognized reference material (such as the Dictionary of Occupational Titles), the content of the participant's training, and the participant's service strategy.

(3)(A) Each on-the-job training contract must—

(i) specify the types and duration of on-the-job training to be developed and other services to be performed so that proposed costs can be fairly analyzed; and

(ii) comply with the requirements of section 164.

(B) Each on-the-job training contract that is not directly contracted by a service delivery area with an employer but instead is contracted through an intermediary brokering contractor must, in addition to the requirements of subparagraph (A), specify the outreach, recruitment, participant training, counseling, placement, monitoring, followup, or other services the brokering contractor agrees to provide within its own organization, what will be provided by the employers actually conducting the on-the-job training, and what planned services may be provided with or without cost by other agencies and subcontractors.

(C) Whenever a brokering contractor enters into a contract with a subcontractor to provide training or other services, the brokering contractor shall ensure, through onsite monitoring, compliance with subcontract terms prior to making payment to the subcontractor.

* * * * * * *

BENEFITS

SEC. 142.(a) Except as otherwise provided in this Act, the following provisions shall apply to all activities financed under this Act:

(1) * * *

(2) Individuals in on-the-job training shall be compensated by the employer at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law, but in no event less than the higher of the rate specified in section [6(a)(1)] *6* of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section [6(a)(1)] *6* of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

* * * * * * *

PART D—FEDERAL AND FISCAL ADMINISTRATIVE PROVISIONS

* * * * * * *

PROMPT ALLOCATION OF FUNDS

SEC. 162 (a) * * *

* * * * * * *

(f) When contracting with nonprofit organizations of demonstrated effectiveness, the Secretary, States, and service delivery areas may use advance payment method systems, except that such advance payments shall be based on financial need of such organization and shall not exceed 20 percent of the total contract amount.

* * * * * * *

FISCAL CONTROLS; SANCTIONS

SEC. 164. (a) * * *

(b)(1) Whenever, as a result of financial and compliance audits or otherwise, the Government determines that there is a substantial violation of a specific provision of this Act or the regulations, and corrective action has not been taken, the Governor may issue a notice of intent to revoke approval of all or part of the plan affected[. Such notice may be appealed to the Secretary under the same terms and conditions as the disapproval of the plan and shall not become effective until (A) the time for appeal has expired or (B) the Secretary has issued a decision.] *unless (A) the service delivery area corrects the failure, (B) the service delivery area submits an acceptable modification to its plan pursuant to section 104(c), or (C) a new service delivery area is designated under section 101.*

* * * * * * *

(3) If the Governor, for any reason, fails to implement the provisions of this subsection, the Secretary, after notification of the Governor, shall take corrective actions required by paragraph (1).

* * * * * * *

(d)(1) Every recipient shall repay to the United States amounts found not to have been expended in accordance with this Act. The Secretary may offset such amounts against any other amounts to which the recipient is or may be entitled under this Act unless he determines that such recipient should be held liable pursuant to subsection (e). No such action shall be taken except after notice and opportunity for a hearing have been given to the recipient.

(2) When a recipient is determined to have made an unallowable expenditure, or to have otherwise failed to discharge its responsibility to account properly for funds, and mitigating circumstances exist, as described in paragraph (3), the administrative law judge shall reduce such amount by an amount that is proportionate to the extent the mitigating circumstances caused the violation. Furthermore, the judge is authorized to determine that no recovery is justified when mitigating circumstances warrant. The Burden of demonstrating the existence of mitigating circumstances shall be upon the recipient.

(3) For the purpose of paragraph (2), mitigating circumstances may be found to exist when it would be unjust to compel the recovery of funds because the recipient—

(A) actually and reasonably relied upon erroneous written guidance provided by the Department;

(B) made an expenditure or engaged in a practice after—

(i) the recipient submitted to the Secretary, in good faith, a written request for guidance with respect to the expenditure or practice at issue, and

(ii) a Department official did not respond within 90 days of receipt by the Department of such request; or

(C) actually and reasonably relied upon a judicial decree issued to the recipient.

* * * * * * *

(i) Each recipient, subrecipient, and service provider receiving funds under this Act shall follow the directives of the applicable Office of Management and Budget Circulars or the Common Rules governing uniform administrative requirements and cost principles for governmental, nonprofit, and private for profit entities, or both, except that subrecipients of States and their subrecipients shall follow the detailed procurement requirements of the Circulars or the Common Rules, or both, when procuring property and services under a grant and shall follow the same requirements, as applicable, in the award of financial assistance to subgrantees.

(j)(1) Interest income, as defined in section 4, shall be retained by the service delivery area to defray expenditures for allowable and appropriate activities under this Act. Expenditures of interest income shall be in accordance with cost limitations in this Act.

(2) Ordinarily, interest income shall be deducted from total allowable expenditures to determine the net allowable expenditures. Interest income shall be used for current expenditures, unless the Secretary authorizes otherwise. Interest income which the recipient did not anticipate at the time of the award shall be used to reduce the Department's and recipient's contributions rather than to increase the funds committed to the authorized activities.

(k) Funds provided under this Act may not be used for any fee or profit to governmental units, and grantees and subgrantees as defined by the Office of Management and Budget Circulars or the Common Rules, or both. Funds provided under this Act may be used for a reasonable fee or profit to private for profit entities and cost-type administrative service contractors.

(l) The Governor of each State shall submit to the Secretary a semiannual report that, in accordance with regulations prescribed by the Secretary, specifies the amount of expenditures by each service delivery area under title II of this Act from the appropriations for particular fiscal years. Such specification shall continue to be reported until the appropriation has been entirely expended or until the authority to expend funds from the appropriation has expired. The semiannual report next following any such entire expenditure or expiration shall specify the total expenditures made under title II from that appropriation.

(m) The Secretary shall establish procedures to permit grantees to utilize current year grant funds for reasonable and necessary staff and accounting costs associated with audit resolutions of prior year grants in any departmental proceeding when insufficient funds for this purpose remain available to the grantee from such prior year grants.

REPORTS, RECORDKEEPING, AND INVESTIGATIONS

SEC. 165. (a) * * *

* * * * * * *

(c) Each State, each administrative entity designated under title I, and each recipient (other than a subrecipient, grantee or contractor of a recipient) receiving funds under this Act shall—

[(1) make such reports concerning its operations and expenditures as shall be prescribed by the Secretary, and]

(1) make such annual reports concerning its operations and expenditures as shall be prescribed by the Secretary, and

* * * * * * *

(d) The reports required in subsection (c) shall include (but not be limited to) information pertaining to—

(1) the demographic characteristics, including the prior work history, earnings, welfare history, and other related information about enrollees and participants;

(2) the activities in which participants are enrolled, and the length of time that participants are engaged in such activities;

(3) program outcomes for participants; and

(4) specified program costs.

(e) The Secretary shall ensure that all elements required for the reports described in subsection (d) are defined and reported consistently, to the maximum extent feasible.

(f) Each recipient, subrecipient, and service provider shall maintain records of revenues and expenditures for at least 3 years following the expiration of the grant period.

* * * * * * *

[TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

[PART A—ADULT AND YOUTH PROGRAMS

[ALLOTMENT

[SEC. 201. (a) Not more than $5,000,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

[(b)(1) Subject to the provisons of paragraph (2), of the remainder of the amount available for this part for each fiscal year—

[(A) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed indiviudals in all such areas of the substantial unemployment in all the States;

[(B) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States;

[(C) 33⅓ percent shall be allotted on the basis of other relative number of economically disadvantaged individuals within the State compared to the total number of economically disadvantaged individuals in all States, except that, for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged individuals in such area.

[(2)(A) No State shall receive less than one-quarter of 1 percent of the amounts available for allotment under this subsection for each such fiscal year.

[(B) No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this subparagraph, the allotment percentage for each State for the fiscal year 1982 is the percent that each State received in 1982, pursuant to the formula allocations made under the Comprehensive Employment and Training Act, of the total such formula allocations for all States made under that Act in fiscal year 1982. For each succeeding fiscal year, the allotment percentage of a State shall be the per-

centage which the State received of all allotments pursuant to this subsection.

[(3) For purposes of paragraph (1)—

[(A) the terms "excess number" means the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

[(B) the term "economically disadvantaged" means an individual who has, or is a member of a family which has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level.

[WITHIN STATE ALLOCATION

[SEC 202. (a)(1) The Governor shall, in accordance with section 162, allocate 78 percent of the allotment of the State (under section 201(b)) for such fiscal year among service delivery areas within the State in accordance with paragraph (2).

[(2) Subject to the provisions of paragraph (3), of the amount allocated under this subsection—

[(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total excess number of such unemployed individuals in all such areas of substantial unemployment in the State;

[(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State;

[(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged individuals within each service delivery area compared to the total number of economically disadvantaged individuals in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged individuals in such area.

[(3) For fiscal years beginning after September 30, 1986, no service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the two preceding fiscal years preceding the fiscal year for which the determination is made. The allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated pursuant to this subsec-

tion to all service delivery areas within the State for each such preceding fiscal year. If the amounts appropriated pursuant to section 3 (a) and (b) are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

[(4) For the purpose of this section—

[(A) the term "excess number" means the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area or the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area; and

[(B) the term "economically disadvantaged" means an individual who has, or is a member of a family which has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level.

[(b)(1) Eight percent of the allotment of each State (under section 201(b)) for each fiscal year shall be available to carry out section 123, relating to State education programs under this Act.

[(2) Three percent of such allotment of each State for each fiscal year shall be available to carry out section 124, relating to training programs for older individuals.

[(3)(A) Six percent of such allotment of each State for each fiscal year shall be available to carry out subparagraph (B) of this paragraph.

[(B) The amount reserved under subparagraph (A) of this paragraph shall be used by the Governor to provide incentive grants for programs exceeding performance standards and incentives for serving increased numbers of hard-to-serve individuals, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income. The incentive grants made under this subparagraph shall be distributed among service delivery areas within the State exceeding their performance standards in an equitable proportion based on the degree by which the service delivery areas exceed their performance standards. If the full amount reserved under subparagraph (A) of this paragraph is not needed to make incentive grants under this subparagraph, the Governor shall use the amount not so needed for technical assistance to service delivery areas in the State. Funds available under this subparagraph may, without regard to section 108(a), be used by the Governor or a service delivery area during not more than two program years to develop and implement a data collection system to track the postprogram experience of participants under this part.

[(4) Five percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for

the cost of auditing activities, for administrative activities, and for other activities under sections 121 and 122.

[ELIGIBILITY FOR SERVICES

[SEC. 203. (a)(1) Except as provided in paragraph (2), an individual shall be eligible to participate in programs receiving assistance under this title only if such individual is economically disadvantaged.

[(2) Up to 10 percent of the participants in all programs in a service delivery area receiving assistance under this part may be individuals who are not economically disadvantaged if such individuals have encountered barriers to employment. Such individuals may include, but are not limited to, those who have limited English-language proficiency, or are displaced homemakers, school dropouts, teenage parents, handicapped, older workers, veterans, offenders, alcoholics, addicts, or homeless.

[(b)(1) Funds provided under this part shall be used in accordance with the job training plan to provide authorized services to disadvantaged youth and adults. Except as provided in paragraph (2), not less than 40 percent of the funds available for such services shall be expended to provide such services to eligible youth. For the purpose of the preceding sentence, the term "eligible youth" includes individuals who are 14 and 15 years of age and enrolled in pre-employment skills training.

[(2) To the extent that the ratio of economically disadvantaged youth to economically disadvantaged adults in the service delivery area differs from the ratio of such individuals nationally (as published by the Secretary), the amount which shall be required to be expended for services for youth under paragraph (1) shall be reduced or increased proportionately in accordance with regulations prescribed by the Secretary.

[(3) Recipients of payments made under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act who are required to, or have, registered under section 402(a)(19) of that Act, and eligible school dropouts shall be served on an equitable basis, taking into account their proportion of economically disadvantaged persons sixteen years of age or over in the area. For purposes of this paragraph, a school dropout is an individual who is neither attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

[(4) In each service delivery area the ratio of participants in on-the-job training assisted under this title in the public sector to participants in such training in the private sector shall not exceed the ratio between civilian governmental employment and nongovernmental employment in such area.

[(c) For purposes of this title—

[(1) the term "youth" means an individual who is aged 16 through 21, and

[(2) the term "adult" means an individual who is 22 years of age or older.

[USE OF FUNDS

[SEC. 204. Services which may be made available to youth and adults with funds provided under this title may include, but need not be limited to—

[(1) job search assistance,

[(2) job counseling,

[(3) remedial education and basic skills training,

[(4) institutional skill training,

[(5) on-the-job training,

[(6) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment,

[(7) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply,

[(8) outreach to make individuals aware of, and encourage the use of employment and training services,

[(9) specialized surveys not available through other labor market information sources,

[(10) programs to develop work habits and other services to individuals to help them obtain and retain employment,

[(11) supportive services necessary to enable individuals to participate in the program and to assist them in retaining employment for not to exceed 6 months following completion of training,

[(12) upgrading and retraining,

[(13) education-to-work transition activities,

[(14) literacy training and bilingual training,

[(15) work experience,

[(16) vocational exploration,

[(17) attainment of certificates of high school equivalency,

[(18) job development,

[(19) employment generating activities to increase job opportunities for eligible individuals in the area,

[(20) pre-apprenticeship programs,

[(21) disseminating information on program activities to employers,

[(22) use of advanced learning technology for education, job preparation, and skills training,

[(23) development of job openings,

[(24) on-site industry-specific training programs supportive of industrial and economic development,

[(25) followup services with participants placed in unsubsidized employment,

[(26) coordinated programs with other Federal employment-related activities,

[(27) needs-based payments necessary to participation in accordance with a locally developed formula or procedure, and

[(28) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training.

[EXEMPLARY YOUTH PROGRAMS

[SEC. 205. (a) In addition to the services for youth which may be available in accordance with section 204, the job training plan may, at the option of those responsible for its preparation, elect to include one or more of the exemplary youth programs described in subsections (b) through (e) of this section, each of which may be modified by the plan to accommodate local conditions.

[(b)(1) The job training plan may provide for the conduct of an "education for employment program" for eligible youth who have not attained a high school diploma or who have educational deficiencies despite the attainment of a diploma, with priority given to high school dropouts.

[(2) The education for employment programs may provide for the maintenance of a network of learning centers offering individualized or group instruction in convenient locations, such as schools, neighborhood organizations, libraries, and other sites, including mobile vans in rural areas.

[(3) The curricula provided by such network shall be designed to prepare the student to meet State and locally determined general education diploma and basic education competency requirements.

[(4) For purposes of this section, priority shall be given in the selection of service providers to previously funded in-school and community based organization projects which are both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act.

[(c)(1) The job training plan may provide for the conduct of a "preemployment skills training program" for youth, and individuals aged 14 and 15, with priority being given to those individuals who do not meet established levels of academic achievement and who plan to enter the full-time labor market upon leaving school.

[(2) The preemployment skill training program may provide youth up to 200 hours of instruction and activities.

[(3) The instruction and activities may include—

[(A) assessment, testing, and counseling;

[(B) occupational career and vocational exploration;

[(C) job search assistance;

[(D) job holding and survival skills training;

[(E) basic life skills training;

[(F) remedial education;

[(G) labor market information; and

[(H) job-seeking skills training.

[(d)(1) The job training plan may provide for the conduct of an "entry employment experience program" for youth who—

[(A) have completed preemployment skills training or its equivalent;

[(B) have not recently held a regular part-time or summer job for more than 250 hours of paid employment, except that this paragraph may be waived in accordance with criteria established in the job training plan; and

[(C) are enrolled in a secondary school or an institution offering a certified high school equivalency program and are meeting or have met the minimum academic and attendance requirements of that school or education program during the current or most recent term,

with priority given to youth who do not plan to continue on to post-secondary education.

[(2) Entry employment experiences may be up to 20 hours weekly during the school year or full time during the summer and holidays, for a total of not to exeed 500 hours of entry employment experience for any individual. Such experiences shall be appropriately supervised, including the maintenance of standards of attendance and worksite performance.

[(3) Entry employment experiences may be one of the following types:

[(A) Full-time employment opportunities in public and private nonprofit agencies during the summer and on a part-time basis in combination with education and training activities. These jobs shall provide community improvement services that complement local expenditures.

[(B) Tryout employment at private for-profit worksites, or at public and private nonprofit worksites when private for-profit worksites are not available. Compensation in lieu of wages for tryout employment shall be paid by the grant recipient, but the length of any assignment to a tryout employment position shall not exceed 250 hours. Tryout employment positions shall be ones for which participants would not usually be hired (because of lack of experience or other barriers to employment), and vacancies in such positions may not be refilled if the previous participant completed the tryout employment but was not hired by the employer.

[(C) Cooperative education programs to coordinate educational programs with work in the private sector.

[(e)(1) The job training plan may provide for the conduct of a "school-to-work transition assistance program" for youth who are—

[(A) high school seniors who plan to enter the full-time labor market upon graduation, with priority to seniors in high schools having a predominance of students from families with incomes below 70 percent of the lower living standard income level; and

[(B) dropouts, with followup as immediately as possible after leaving school.

[(2) Transition services include—

[(A) provision of occupational information;

[(B) short-duration job search assistance;

[(C) job clubs;

[(D) placement and job development; and

[(E) followup.

[(3) Seniors and dropouts who are eligible for and in need of training activities may be provided information and, where appropriate, referred to—

[(A) preemployment skills training, entry employment experience, and remedial education;

[(B) adult training activities; and

[(C) the Job Corps.

[PART B—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS

[PURPOSE

[SEC. 251. The purpose of programs assisted under this part is to—

[(1) enhance the basic educational skills of youth;

[(2) encourage school completion, or enrollment in supplementary or alternative school programs; and

[(3) provide eligible youth with exposure to the world of work.

[AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION

[SEC. 252. (a) From the funds appropriated under section 3(b), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and entities eligible under section 401 the same percentage of funds as were available to such areas and entities for the summer youth program in the fiscal year preceding the fiscal year for which the determination is made.

[(b) The remainder of sums appropriated pursuant to section 3(b) shall be allotted among States in accordance with section 201(b) and allocated among service delivery areas within States in accordance with section 202(a)(2), (3), and (4).

[USE OF FUNDS

[SEC. 253. (a) Funds available under this part may be used for—

[(1) basic and remedial education, institutional and on-the-job training, work experience programs, employment counseling, occupational training preparation for work, outreach and enrollment activities, employability assessment, job referral and placement, job search and job club activities, and any other employment or job training activity designed to give employment to eligible individuals or prepare them for, and place them in, employment; and

[(2) supportive services necessary to enable such individuals to participate in the program.

[(b) A service delivery area shall assess the reading and mathematical skill levels of eligible participants in programs funded by this part and shall expend funds (from this Act or otherwise available to the service delivery area, or both) for basic and remedial education as described in the job training plan under section 104.

[LIMITATIONS

[SEC. 254. (a) Programs under this part shall be conducted during the summer months except that a service delivery area may, within the jurisdiction of any local educational agency that operates its schools on a year-round, full-time basis, offer the programs under this part to participants during a vacation period treated as the equivalent of a summer vacation.

[(b) Except as provided in subsection (c), individuals eligible under this part shall be economically disadvantaged youth.

[(c) Eligible individuals aged 14 or 15 shall, if appropriate and set forth in the job training plan, be eligible for summer youth programs under this part.

[APPLICABLE PROVISIONS

[SEC. 255. (a) Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this part as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under part A of title II.

[(b) In accordance with the provisions of subsection (a), each service delivery area shall establish written program goals and objectives which shall be used for evaluating the effectiveness of programs conducted under this part. Such goals and objectives may include—

[(1) improvement in school retention and completion;

[(2) improvement in academic performance, including mathematics and reading comprehension;

[(3) improvement in employability skills; and

[(4) demonstrated coordination with other community service organizations such as local educational agenices, law enforcement agencies, and drug and alcohol prevention and treatment programs.]

TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

PART A—ADULT AND OLDER WORKER PROGRAMS

SEC. 201. ALLOTMENT.

(a) TERRITORIAL ALLOTMENT.—Not more than $2,500,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the freely associated states, the Republic of Palau, and the Commonwealth of the Northern Marianas.

(b) STATE ALLOTMENTS.—

(1) IN GENERAL.—Subject to the provisions of paragraph (2), of the remainder of the amount available for this part for each fiscal year—

(A) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all the States;

(B) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States; and

(C) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged individuals within the State compared to the total number of economically disadvantaged individuals in all States, except that,

for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged individuals in such area.

(2) MINIMUM STATE ALLOTMENTS.—(A) No State shall receive less than one-quarter of 1 percent of the amounts available for allotment under this subsection for each such fiscal year.

(B) No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this subparagraph, the allotment percentage for each State for the fiscal year 1982 is the percent that each State received in 1982, pursuant to the formula allocations made under the Comprehensive Employment and Training Act, of the total such formula allocations for all States made under that Act in fiscal year 1982. For each succeeding fiscal year, the allotment percentage of a State shall be the percentage which the State received of all allotments pursuant to this subsection.

(3) DEFINITIONS.—For purposes of paragraph (1)—

(A) the term "excess number" means the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

(B) the term "economically disadvantaged" means an individual who has, or is a member of a family which has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services, or (ii) 70 percent of the lower living standard income level.

SEC. 202. WITHIN STATE ALLOCATION.

(a) SERVICE DELIVERY AREA ALLOCATIONS.—

(1) AMOUNT FOR ALLOCATION.—The Governor shall, in accordance with section 162, allocate 84 percent of the allotment of the State (under section 201(b)) for such fiscal year among service delivery areas within the State in accordance with paragraph (2).

(2) ALLOCATION FORMULA.—Subject to the provisions of paragraph (3), of the amount allocated under this subsection—

(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside

in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State; and

(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged individuals within each service delivery area compared to the total number of economically disadvantaged individuals in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged individuals in such area.

(3) HOLD-HARMLESS REQUIREMENT.—For fiscal years beginning after September 30, 1986, no service delivery area within any State shall be allocated an amount equal to less then 90 percent of the average of its allocation percentage for the two preceding fiscal years preceding the fiscal year for which the determination is made. The allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated pursuant to this subsection to all service delivery areas within the State for each such preceding fiscal year. If the amounts appropriated pursuant to section 3(a)(1) are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

(4) DEFINITIONS.—For the purpose of this section—

(A) the term "excess number" means the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area, or the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area; and

(B) the term "economically disadvantaged" means an individual who has, or is a member of a family which has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services, or (ii) 70 percent of the lower living standard income level.

(b) STATE SET-ASIDES.—

(1) EDUCATION.—Eight percent of the allotment of each State (under section 201(b)) for each fiscal year shall be available to carry out section 123, relating to State education programs under this Act.

(2) PERFORMANCE INCENTIVES.—

(A) Three percent of such allotment of each State for each fiscal year shall be available to carry out subparagraph (B) of this paragraph.

(B) The amount reserved under subparagraph (A) of this paragraph shall be used by the Governor to provide incentive grants for programs that exceed applicable performance standards (except for performance standards relating to costs) and serve more than the minimum percentage of individuals required by section 203(a)(2). The incentive grants made under this subparagraph shall be distributed among service delivery areas within the State in an equitable proportion based on the degree by which the service delivery areas exceed the applicable performance standards and the requirements of section 203(a)(2). If the full amount reserved under subparagraph (A) of this paragraph is not needed to make incentive grants under this subparagraph, the Governor shall use the amount not so needed for technical assistance to service delivery areas in the State.

(3) AUDITING AND ADMINISTRATION.—Five percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for the cost of auditing activities, for administrative activities, and for other activities under sections 121 and 122. The total amount which shall be available for such purposes under this paragraph and section 272(b)(3) shall not be less than $450,000, notwithstanding subsection (a)(1) of this section.

SEC. 203. ELIGIBILITY FOR SERVICES.

(a) GENERAL REQUIREMENTS.—

(1) ECONOMIC DISADVANTAGE.—Except as provided in paragraph (3), an individual shall be eligible to participate in programs receiving assistance under this part only if such individual is an adult who is economically disadvantaged. An individual who is employed is eligible to participate in programs receiving assistance under this part, including basic skills training, literacy training, and English proficiency instruction, if such individual meets the requirements of this paragraph.

(2) ADDITIONAL REQUIREMENTS FOR ONE-HALF OF PARTICIPANTS.—Not less than 50 percent of the participants in the program under this part in each service delivery area shall be individuals who, in addition to meeting requirements of paragraph (1), are included in one or more of the following categories:

(A) basic skills deficient;

(B) school dropouts;

(C) recipients of aid to families with dependent children who either meet the requirements of section 403(1)(2)(B) of the Social Security Act or have been provided an employability plan in accordance with section 482(b) of the Social Security Act; or

(D) unemployed for the previous 6 months or longer.

(3) BARRIERS TO EMPLOYMENT.—Up to 10 percent of the participants in programs in a service delivery area receiving assistance under this part may be individuals who are not economically disadvantaged if such individuals have encountered barriers to employment. Such individuals may include, but are not limited to, individuals who have limited English-language proficiency, or are displaced homemakers, school dropouts, dis-

abled, older workers, veterans, offenders, substance abusers, alcoholics, or homeless.

(b) ADDITIONAL SERVICE REQUIREMENTS.—

(1) SERVICE TO OLDER WORKERS.—(A) Each service delivery area shall make special efforts to identify and serve eligible individuals 55 years of age or older. Not less than 6 percent of the funds available to each service delivery area under this part shall be expended to provide services to such individuals.

(B) In providing the services required by subparagraph (A) of this paragraph, the State job training coordinating council and the service delivery area shall make efforts to coordinate the delivery of such services with the delivery of services pursuant to title V of the Older Americans Act of 1965.

(C) In the selection of service providers to serve older individuals, the service delivery area shall give priority to those national, State, and local agencies and organizations that have a record of demonstrated effectiveness in providing training and employment services to such older individuals.

(2) RATIO OF PUBLIC TO PRIVATE SECTOR POSITIONS.—In each service delivery area the ratio of participants in on-the-job training assisted under this title in the public sector to participants in such training in the private sector shall not exceed the ratio between civilian governmental employment and nongovernmental employment in such area.

(3) CHILD CARE.—Each State job training coordinating council and service delivery area shall make reasonable efforts to encourage job training providers to provide child care services to the children of individuals participating in training programs under this title, at minimal cost to such participants.

(c) DEFINITIONS.—

(1) ADULT.—As used in this part, the term "adult" means an individual who is 22 years of age or older.

(2) ELIGIBILITY DETERMINATIONS.—for purposes of subsection (a)(2)—

(A) determinations of a participant's eligibility under subparagraph (A) of such subsection shall be made by means of such tests as may be designated in the plan submitted pursuant to section 104, subject to standards prescribed by the Secretary; and

(B) determinations of a participant's eligibility under subparagraphs (B), (C), or (D) of subsection (a)(2) shall be made in accordance with guidance provided by the Secretary.

SEC. 204. PROGRAM DESIGN.

(a) ASSESSMENTS, STRATEGIES, AND SERVICES.—The program under this part shall include—

(1) an assessment of the participants' skill levels and service needs, which may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), and supportive services needs, except that such assessment, or factor thereof, is not required if the program uses

recent assessments conducted pursuant to another education or training program (such as the JOBS program);

(2) development of service strategies which shall identify the employment goal (including, where appropriate, nontraditional employment), appropriate achievement objectives, and appropriate services for participants taking into account the assessments conducted pursuant to paragraph (1);

(3) a review of each participant's progress in meeting the objectives of the service strategy; and

(4) the following services, to be made available to a participant where the assessment and the service strategy indicate such services are appropriate—

(A) basic skills training, including language skills training; and

(B) occupational skills, training.

(b) COMBINATIONS OF SERVICES.—

(1) REQUIRED COMBINATIONS.—Except as provided in paragraph (2), job search, job search skills training, job club, and work experience authorized under this part shall be accompanied by other services designed to increase a participant's basic education or occupational skills.

(2) EXCEPTIONS.—The program under this part may provide job search, job search skills training and job club activities to a participant without the additional services described in paragraph (1) only if—

(A) the participant's assessment and service strategy indicate that the additional services are not appropriate; and

(B) the activities are not available to the participant through the Employment Service or other public agencies.

(c) CONTINUATION OF COUNSELING AND SUPPORTIVE SERVICES.—Counseling and supportive services authorized under this part may be provided to a participant for a period up one year after termination from the program.

SEC. 205. USE OF FUNDS.

Services which may be made available with funds provided under this title may include (but need not be limited to)—

(1) TRAINING.—

(A) DIRECT TRAINING SERVICES.—

(i) Remedial education and basic skills training.

(ii) Institutional skill training.

(iii) On-the-job training.

(iv) Programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment.

(v) Training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply.

(vi) Upgrading and retraining.

(vii) Literacy training.

(viii) Bilingual training.

(ix) School-to-work transition activities;

(x) Work experience, subject to limitations under section 108 of this Act.

(xi) Vocational exploration.

(xii) Attainment of certificates of high school equivalency.

(xiii) Preapprenticeship programs.

(xiv) Onsite industry-specific training programs supportive of industrial and economic development.

(xv) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training.

(xvi) Use of advanced learning technology for education, job preparation and skills training.

(B) TRAINING RELATED SERVICES.—

(i) Assessment of participant's skill levels and service needs.

(ii) Job search assistance.

(iii) Job counseling.

(iv) Outreach to make individuals aware of, and encourage the use of, employment and training services.

(v) Outreach, to develop awareness of, and encourage participation in, education, training services, and work experience programs to assist women in obtaining nontraditional employment, and to facilitate the retention of women in nontraditional employment, including services at the site of training or employment.

(vi) Specialized surveys not available through other labor market information sources.

(vii) Programs to develop work habits and other services to individuals to help them obtain and retain employment.

(viii) Job development.

(ix) Disseminating information on program activities to employers.

(x) Development of job openings.

(xi) Coordinated programs with other Federal employment-related activities.

(2) PARTICIPANT SUPPORT SERVICES.—

(A) Supportive services, as defined in section 4(24) of this Act, necessary to enable individuals to participate in the program, and to assist them, for not to exceed 12 months following completion of training, to retain employment.

(B) Needs-based payments necessary to participation in accordance with a locally developed formula or procedure.

(C) Follow-up services with participants placed in unsubsidized employment.

PART B—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS

SEC. 251. PURPOSE.

The purpose of programs assisted under this part is—

(1) to enhance the basis educational skills of youth;

(2) to encourage school completion, or enrollment in supplementary or alternative school programs; and

(3) to provide eligible youth with exposure to the world of work.

SEC. 252. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION.

(a) TERRITORIAL AND NATIVE AMERICAN ALLOCATION.—From the funds appropriated under section 3(a)(2), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the freely associated states, the Republic of Palau, the Commonwealth of the Northern Marianas, and entities eligible under section 401 the same percentage of funds as were available to such areas and entities for the summer youth program in the fiscal year preceding the fiscal year for which the determination is made.

(b) USE OF PART C FORMULA FOR ALLOTMENT AND ALLOCATION.—The remainder of sums appropriated pursuant to section 3(a)(2) shall be alloted among States in accordance with section 271(b) and allocated among service delivery areas within States in accordance with section 272(a)(2), (3), and (4).

SEC. 253. USE OF FUNDS.

(a) IN GENERAL.—Funds available under this part may be used for—

(1) basic and remedial education, institutional and on-the-job training, work experience programs, employment counseling, occupational training, preparaton for work, outreach and enrollment activities, employability assessment, job referral and placement, job search and job club activities, and any other employment or job training activity designed to give employment to eligible individuals or prepare them for, and place them in, employment;

(2) supportive services necessary to enable such individuals to participate in the program; and

(3) administrative costs, not to exceed 15 percent of the funds available under this part.

Notwithstanding the 15 percent limitation in paragraph (3), up to 20 percent may be expended for administrative costs if a recipient receives less than $200,000 in grant funds for each program year.

(b) BASIC AND REMEDIAL EDUCATION.—A service delivery area shall expend funds (from this Act or otherwise available to the service delivery area, or both) for basic and remedial education as described in the job training plan under section 104.

(c) ASSESSMENT.—Each participant under this part shall be provided with an assessment of their skill levels and service needs, which may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes, and supportive service needs, except that such assessment, or factor thereof, is not required if the program uses recent assessments conducted pursuant to another education or training program (such as the JOBS program). It shall be the responsibility of the service delivery area to develop a service strategy for participants which shall identify achievement objectives, appropriate employment goals, and appropriate services for participants, taking into account the assess-

ments conducted under this subsection or under such other education or training program.

(d) FOLLOWUP SERVICES.—Followup services shall be made available for participants for whom a service strategy is developed in accordance with this section.

SEC. 254. LIMITATIONS.

(a) USE DURING SUMMER MONTHS OR EQUIVALENT VACATION PERIOD.—Programs under this part shall be conducted during the summer months, except that a service delivery area may, within the jurisdiction of any local educational agency that operates its schools on a year-round, full-time basis, offer the programs under this part to participants during a vacation period treated as the equivalent of a summer vacation.

(b) ELIGIBILITY PARTICIPANTS.—Individuals eligible under this part shall be economically disadvantaged youth.

(c) YOUTH.—As used in this part, the term "youth" means an individual who is aged 14 through 21.

SEC. 255. APPLICABLE PROVISIONS.

(a) COMPARABLE FUNCTIONS OF AGENCIES AND OFFICIALS.—Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this part as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under parts A and C of title II.

(b) PROGRAM GOALS AND OBJECTIVES.—In accordance with the provisions of subsection (a), each service delivery area shall establish written program goals and objectives which shall be used for evaluating the effectiveness of programs conducted under this part. Such goals and objectives may include—

(1) improvement in school retention and completion;

(2) improvement in academic performance, including mathematics and reading comprehension;

(3) improvement in employability skills; and

(4) demonstrated coordination with other community service organizations such as local educational agencies, law enforcement agencies, and drug and alcohol abuse prevention and treatment programs.

PART C—YEAR-ROUND YOUTH SERVICES

SEC. 271. ALLOTMENT.

(a) TERRITORIAL ALLOTMENT.—Not more than $2,500,000 of the amount appropriated pursuant to section 3(a)(3) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the freely associated States, the Republic of Palau, and the Commonwealth of the Northern Marianas.

(b) STATE ALLOTMENTS.—

(1) IN GENERAL.—Subject to paragraph (2), of the remainder of the amount available for this part for each fiscal year—

(A) 60 percent shall be allotted on the basis of the relative number of unemployed individuals who reside within the State who are 16 years of age or older as compared to the total number of such individuals in all the States;

(B) 20 percent shall be allotted on the basis of the relative number of economically disadvantaged youth residing in each State as compared to the total number of such youth in all the States; and

(C) 20 percent shall be allotted on the basis of the relative number of recipients of Aid to Families with Dependent Children who reside in each State as compared to the total number of recipients of Aid to Families with Dependent Children in all the States, except that the Secretary shall first allot to the Commonwealth of Puerto Rico a share of such 20 percent equal to the share that such Commonwealth receives under subparagraph (B).

(2) MINIMUM STATE ALLOTMENTS.—(A) No State shall receive less than one-quarter of 1 percent of the amounts available for allotment under this subsection for each such fiscal year.

(B) No State shall be allotted less than 90 percent, or more than 110 percent, of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this subparagraph, the allotment percentage of a State shall be the percentage which the State received of all allotments pursuant to this subsection.

(3) DEFINITIONS.—For purposes of paragraph (1), the term "economically disadvantaged" has the meaning given such term in section 201(b)(3)(B).

SEC. 272. WITHIN STATE ALLOCATION.

(a) SERVICE DELIVERY AREA ALLOCATIONS.—

(1) AMOUNT FOR ALLOCATION.—The Governor shall, in accordance with section 162, allocate 84 percent of the allotment of the State (under section 271(b)) for such fiscal year among service delivery areas within the State in accordance with paragraph (2).

(2) ALLOCATION FORMULA.—Subject to the provisions of paragraph (3), of the amount allocated under this subsection—

(A) 60 percent shall be allotted on the basis of the relative number of unemployed individuals who reside within the service delivery area who are 16 years of age or older as compared to the total number of such individuals in all the service delivery areas within the State;

(B) 20 percent shall be allocated on the basis of the relative number of economically disadvantaged youth residing in the service delivery area as compared to the total number of such youth residing in all the service delivery areas within the Sate;

(C) 20 percent shall be allocated on the basis of the relative number of recipients of Aid to Families with Dependent Children who reside in the service delivery area as compared to the total number of recipients of Aid to Families with Dependent Children in all the service delivery areas within the State.

(3) HOLD-HARMLESS REQUIREMENT.—No service delivery area within any State shall be allocated an amount equal to less than 90 percent, or more than 110 percent, of the average of its allocation percentage for the two preceding fiscal years preceding the fiscal year for which the determination is made. The allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated pursuant to this subsection to all service delivery areas within the State for each such preceding fiscal year. If the amounts appropriated pursuant to section 3(a) (3) are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

(4) DEFINITIONS.—For purposes of this section, the term "economically disadvantaged" have the meanings given such terms in sections 271(b) (3).

(b) STATE SET-ASIDE.—

(1) EDUCATION.—Eight percent of the allotment of each State (under section 271(b)) for each fiscal year shall be available to carry out section 123, relating to State education programs under this Act.

(2) PERFORMANCE INCENTIVES.—

(A) Three percent of such allotment of each State for each fiscal year shall be available to carry out subparagraph (B).

(B) The amount reserved under subparagraph (A) shall be used by the Governor to provide incentive grants for programs that exceed for performance standards relating to costs) and serve more than the minimum percentage of out-of school youth required by section 273(b). The incentive grants made under this subparagraph shall be distributed among service delivery areas within the State in an equitable proportion based on the degree by which the service delivery areas exceed the applicable performance standards and the requirements of section 273(b) and (c). If the full amount reserved under subparagraph (A) is not needed to make incentive grants under this subparagraph, the Governor shall use the amount not so needed for technical assistance to service delivery areas in the State.

(3) AUDITING AND ADMINISTRATION ACTIVITIES.—Five percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for the cost of auditing activities, for administrative activities and for other activities under sections 121 and 122. The total amount which shall be available for such purposes under this paragraph and section 202(b) (3) shall not be less than $450,000, notwithstanding subsection (a) (1) of this section.

SEC. 273. ELIGIBILITY FOR SERVICES.

(a) ECONOMIC DISADVANTAGE.—Except as provided in subsection (d), an individual shall be eligible to participate in programs receiving assistance under this part if such individual is an economically disadvantaged youth, or is receiving (or has been determined to be eligible to receive) a free lunch under the National School Lunch

Act. For purposes of this part the term "Youth" means an individual who is aged 14 through 21.

(b) ADDITIONAL REQUIREMENT FOR ½ OF PARTICIPANTS.—Not less than 50 percent of the participants in a service delivery area shall be out-of-school youth, with priority given to school dropouts. Of such out-of-school youth, not less than 50 percent shall be youth who are included in one or more of the following categories:

(1) basic skills deficient;

(2) school dropout; or

(3) pregnant or parenting.

(c) IN-SCHOOL YOUTH.—Of the remaining percentage of participants, not less than 50 percent of the participants shall be youth—

(1) who are basic skills deficient;

(2) who have poor academic records which, for purposes of this paragraph, means performing at least one year below the grade level appropriate to that individual's age;

(3) who are pregnant or parenting; or

(4) who have limited English-language proficiency.

(d) BARRIERS TO EMPLOYMENT.—Up to 10 percent of the participants in programs in a service delivery area receiving assistance under this part may be individuals who are not economically disadvantaged, if there are potential barriers to the employment of such individuals. Such individuals may include, but are not limited to, individuals who have limited English-language proficiency, or who are school dropouts, parents, disabled, offenders, substance abusers, alcoholics, or homeless.

SEC. 274. PROGRAM DESIGN.

(a) YEAR ROUND PROGRAMS.—The program under this part shall be conducted on a year-round basis.

(b) ASSESSMENTS, STRATEGIES, AND SERVICES.—The program under this part shall include—

(1) an assessment of participants' skill levels and service needs which may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), and supportive service needs, except that such assessment, or factor thereof, is not required if the program uses recent assessments conducted pursuant to another education or training program (such as the JOBS program);

(2) development of service strategies which shall identify achievement objectives, appropriate employment goals (including interests and aptitudes for nontraditional jobs), and appropriate services for participants taking into account the assessments conducted pursuant to paragraph (1);

(3) a review of such participant's progress in meeting the objectives of the service strategy; and

(4) the following services, to be available to a participant where the assessment and service strategy indicate such services are appropriate:

(A) basic skills training, including language skills training;

(B) occupational skills training;

(C) pre-employment and work maturity skills training;

(D) work experience combined with skills training; and

(E) supportive services.

(c) COMBINATIONS OF SERVICES.—Work experience, job search, job search skills training, and job club activities authorized by this part shall be accompanied by additional services designed to increase a participant's basic education or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS program.

(d) CONTINUATION OF COUNSELING AND SUPPORTIVE SERVICES.—Counseling and supportive services authorized under this part may be provided to a participant for a period of up to one year after termination from the program.

(e) LINKAGES.—In conducting a program under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include (but are not limited to)—

(1) formal agreements with local educational agencies that will identify—

(A) the procedures for referring and serving in-school youth;

(B) the methods of and procedures for assessment of in-school youth; and

(C) procedures for notifying the program when a youth drops out of the school system;

(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by local educational agencies to out-of-school youth; and

(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems, and needs, including where appropriate, interim assessment results.

SEC. 275. USE OF FUNDS.

(a) GENERAL TITLE II SERVICES.—Services which may be made available to youth with funds provided under this part may include, but need not be limited to, services described in section 205.

(b) ADDITIONAL SERVICES.—Services which may be made available to youth with funds made available under parts B and C of this title may include training or education that is combined with meaningful and constructive community and youth service opportunities in public agencies, nonprofit agencies, and other appropriate agencies, institutions, and organizations.

SEC. 276. EXEMPLARY YOUTH PROGRAMS.

(a) AUTHORITY TO CONDUCT PROGRAMS.—In addition to the services for youth which may be available in accordance with section 275, the job training plan may, at the option of those responsible for its preparation, elect to include one or more of the exemplary youth programs described in subsections (b) through (e), each of which may be modified by the plan to accommodate local conditions.

(b) EDUCATION FOR EMPLOYMENT PROGRAM.—

(1) IN GENERAL.—The job training plan may provide for the conduct of an "education for employment program" for eligible youth who have not attained a high school diploma or who have educational deficiencies despite the attainment of a diploma, with priority given to high school dropouts.

(2) LEARNING CENTERS.—The education for employment programs may provide for the maintenance of a network of learning centers offering individualized or group instruction in convenient locations, such as schools, neighborhood organizations, libraries, and other sites, including mobile vans in rural areas.

(3) CURRICULA DESIGN.—The curricula provided by such network shall be designed to prepare the student to meet State and locally determined general education diploma and basic education competency requirements.

(4) PRIORITY TO COST-EFFECTIVE, SUCCESSFUL PROGRAMS.—For purposes of this section priority shall be given in the selection of service providers to previously funded in-school and community based organization projects which are both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act.

(c) PREEMPLOYMENT SKILLS TRAINING PROGRAM.—

(1) IN GENERAL.—The job training plan may provide for the conduct of a "preemployment skills training program" for youth, with priority being given to those individuals who do not meet established levels of academic achievement and who plan to enter the full-time labor market upon leaving school.

(2) UP TO 200 HOURS OF INSTRUCTION AND ACTIVITIES.—The preemployment skills training program may provide youth up to 200 hours of instruction and activities.

(3) PERMISSIBLE ACTIVITIES.—The instruction and activities may include—

(A) assessment, testing, and counseling;
(B) occupational career and vocational exploration;
(C) job search assistance;
(D) job holding and survival skills training;
(E) basic life skills training;
(F) remedial education;
(G) labor market information; and
(H) job-seeking skills training.

(d) ENTRY EMPLOYMENT EXPERIENCE PROGRAM.—

(1) IN GENERAL.—The job training plan may provide for the conduct of an "entry employment experience program" for youth who—

(A) have completed preemployment skills training or its equivalent;

(B) have not recently held a regular part-time or summer job for more than 250 hours of paid employment, except that this paragraph may be waived in accordance with criteria established in the job training plan; and

(C) are enrolled, or will (at the time of program participation) be enrolled, in a secondary school or an institution offering a certified high school equivalency program and are meeting or have met the minimum academic and attend-

ance requirements of that school or education program during the current or most recent term,

with priority given to youth who do not plan to continue on to post-secondary education.

(2) MAXIMUM NUMBER OF HOURS.—Entry employment experiences may be up to 20 hours weekly during the school year or full time during the summer and holidays, for a total of not to exceed 500 hours of entry employment experience for any individual. Such experiences shall be appropriately supervised, including the maintenance of standards of attendance and worksite performance.

(3) PERMISSIBLE EMPLOYMENT EXPENSES.—Entry employment experiences may be one of the following types:

(A) Full-time employment opportunities in public and private nonprofit agencies during the summer and on a part-time basis in combination with education and training activities. These jobs shall provide community improvement services that complement local expenditures.

(B) Tryout employmemt at private for-profit worksites, or at public and private nonprofit worksites when private for-profit worksites are not available. Compensation in lieu of wages for tryout employment shall be paid by the grant recipient, but the length of any assignment to a single tryout employment position shall not exceed 250 hours. Tryout employment positions shall be ones for which participants would not usually be hired (because of lack of experience or other barriers to employment), and may not be refilled if the previous participant completed the tryout employment but was not hired by the employer.

(C) Cooperative education programs to coordinate educational programs with work in the private sector.

(e) SCHOOL-TO-WORK TRANSITION ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The job training plan may provide for the conduct of a "school-to-work transition assistance program" for youth who are—

(A) high school seniors who plan to enter the full-time labor market upon graduation, with priority to seniors in high schools having a predominance of students from families with incomes below 70 percent of the lower living standard income level; and

(B) dropouts, with followup as immediately as possible after leaving school.

(2) TRANSITION SERVICES.—Transition services include—

(A) provision of occupational information;

(B) short-duration job search assistance;

(C) job clubs;

(D) placement and job development; and

(E) followup.

(3) INFORMATION AND REFERRALS.—Seniors and dropouts who are eligible for and in need of training activities may be provided information and, where appropriate, referred to—

(A) preemployment skills training, entry employment experience, and remedial education; and

(B) other training activities under this Act, including the Job Corps.

(f) INTER-PROGRAM REFERRALS.—The job training plan should provide for referrals of youth between programs funded under parts B and C. Such efforts shall result in maximizing available resources to enhance the provision of services to disadvantaged youth.

TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS

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ALLOTMENT

SEC. 302. (a) ALLOTMENT OF FUNDS.—From the funds appropriated pursuant to section [3(c)] *3(b)* for any fiscal year, the Secretary shall—

(1) allot 80 percent of such funds in accordance with the provisions of subsection (b); and

(2) reserve 20 percent for use under part B of this title, subject to the reservation required by subsection (e) of this section.

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TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

NATIVE AMERICAN PROGRAMS

SEC. 401. (a) * * *

* * * * * * *

(h)(1) The Secretary shall, after consultation with *the Native American Human Investment Council and* representatives of Indians and other Native Americans, prescribe such rules, regulations, and performance standards relating to Native American programs under this section as may be required to meet the special circumstances under which such programs operate.

* * * * * * *

[(j) For the purpose of carrying out this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 3.3 percent of the amount available for part A of title II of this Act for such fiscal year.]

(k)(1) There shall be in the Department of Labor a Division of Indian and Native American Programs which shall be responsible for administering Native American employment and training programs.

(2) The Chief of such Division shall have experience with the operation of Native American employment and training programs. Prior to selection of the Chief, and pursuant to merit selection procedures, the Secretary shall provide a list of qualified candidates for such position to the Native American Human Investment Council, allowing adequate time for review and recommendation. The Secre-

tary shall appoint the chief of such division from a list of recommendations by the council of qualified candidates.

(3) The Chief of such Division shall—

(A) administer the provisions of this section, including (i) making recommendations on the selection of the recipients of funds, consistent with practices of other divisions within the Department, and (ii) the monitoring of programs authorized;

(B) develop programmatic policies and procedures related to the implementation of such programs;

(C) coordinate the policies and procedures for employment and training programs of the division with other related Federal programs and services for Native Americans within the Department.

(4)(A) In the hiring of professional staff of the

(4)(A) In the hiring of professional staff of the Division, special consideration shall be given to (i) individuals who have field experience in the daily operation of service and training programs for Native Americans, and (ii) individuals who are Indians or Native Alaskans. Such consideration under clause (ii) shall be implemented in the same fashion as that given to veterans in subparagraph (A), (B), or (C) of section 2108(3) of title 5, United States Code. The Secretary shall take such additional actions as may be necessary to promote recruitment and outreach of Indians, Native Alaskans, and Native Hawaiians to positions in the Division.

(B) The provisions of this paragraph shall apply to personnel actions taken after the date of enactment of this subsection.

(C) The Secretary shall provide a one-time special consideration (as defined in paragraph (4)) for individuals who are not Indians or Native Alaskans and are serving within such Division on the date of enactment of this subparagraph and who desire to take another position for which they are qualified within the Department and for which there is a vacancy.

(l)(1) There is hereby established a Native American Human Investment Council (hereinafter in this subsection referred to as the "Council") which shall consist of not less than 17 Indians, Native Alaskans, and Native Hawaiians appointed by the Secretary from among individuals nominated by Indian tribes or Indian, Native Alaskan, and Native Hawaiian organizations. The Council's membership shall represent diverse geographic areas and include representatives of tribal governments and of nonreservation Native American organizations who are service providers under this Act with experience in operating job training programs. A majority of the members of the advisory committee shall have field experience in the operation of the program authorized under this section.

(2) The Council shall be chaired by a Council member elected by a majority of the Council's membership. The Council shall meet not less than twice each program year.

(3) Members of the Indian and Native American Advisory Council which existed before the enactment of this paragraph—

(A) shall serve as members of the Council until successors are appointed; and

(B) may be appointed as members of the new Council.

(4) The term of office for members of the Council shall be two years, except that—

(A) the Secretary shall designate one-half of the initial appointments of members of the Council for terms of one year;

(B) any vacancy shall be filled in the same manner as the original appointment;

(C) any member appointed to such a vacancy shall serve for the remainder of the term for which his predecessor was appointed; and

(D) members may be reappointed.

(5) The membership of the Council shall be appointed by the beginning of program year 1991.

(6) The Council shall—

(A) solicit the views of a wide variety of tribes and Native American groups, including those operating employment and training programs funded under this section, on issues affecting the operation and administration of such programs;

(B) advise and make recommendations to the Secretary with respect to rules, regulations, policies, and practices concerning programs under this section and other programs providing services to Native American youth and adults under this Act;

(C) advise and make recommendations to the Secretary with respect to the design and implementation of performance standards, and any proposed variations thereto, developed under subsection (h) of this section;

(D) review and make recommendations to the Secretary on the list of nominees for the position of Chief of the Division of Indian and Native American Programs whenever a vacancy in such position occurs; and

(E) report directly to the Secretary and the Congress no later than January 1 of each even numbered year on the progress of Native American job training programs and make recommendations for improving their administration and effectiveness.

(7) Members of the Council shall serve without compensation but shall be entitled to reimbursement for their expenses in the performance of their duties. The Secretary shall provide the Council with such administrative support as may be necessary to the performance of its functions.

MIGRANT AND SEASONAL FARMWORKERS PROGRAMS

SEC. 402. (a) * * *

* * * * * * *

[(f) For the purpose of carrying out this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 3.2 percent of the amount available for part A of title II of this Act for such fiscal year.]

(f) The competition for grants under this selction shall be conducted every two years, except that when a grantee has performed satisfactorily under the terms of an existing grant agreement, the Secretary may waive the requirement for such competition upon receipt from the grantee of a satisfactory two-year program plan for the succeeding two-year grant period.

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PART B—JOB CORPS

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INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

SEC. 423. To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who—

(1) has attained age 14 but not attained age [22] *25* at the time of enrollment, [except that such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any handicapped individuals];

* * * * * * *

ENROLLMENT AND ASSIGNMENT

SEC. 426. (a) * * *

* * * * * * *

(d) Nothing in this Act shall be construed to prohibit an individual who has been a participant in the Job Corps from concurrently or subsequently participating in programs under title II of this Act, or to prohibit an individual who has been a participant in programs under title II of this Act from concurrently or subsequently participating in the Job Corps.

JOB CORPS CENTERS

SEC. 427. (a)(1) * * *

(2) In any year, not more than [10] *20* percent of the individuals enrolled in the Job Corps may be nonresidential participants. *In enrolling individuals who are to be nonresidential participants, priority shall be given to those eligible individuals who are single parents with dependent children.*

* * * * * * *

(d) No funds appropriated to the Department of Labor for any fiscal year may be used to execute or carry out any contract with a nongovernmental entity to administer or manage a Civilian Conservation Center of the Job Corps on public land.

PROGRAM ACTIVITIES

SEC. 428. (a * * *

* * * * * * *

(e) The Secretary shall, to the extent practicable, provide child care at or near Job Corps centers, for individuals who require child care for their children in order to participate in the Job Corps.

(f) Each Job Corps center shall provide to enrollees who are dependent on, or wh have a history of abuse of, alcohol or drugs with counseling and referral to related services necessary to prevent the continuance or recurrence of such dependency or abuse.

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JOB CORPS CENTERS FOR HOMELESS FAMILIES

SEC. 433A. (a) Subject to the availability of appropriations therefor, the Secretary is authorized to, in accordance with section 427, provide services and facilities in accordance with this section to eligible homeless individuals and their families at Job Corps centers. Job Corps centers serving homeless individuals and their families shall—

(1) be residential;

(2) be operated under a project agreement with one or more State or local agencies that complies with subsection (b) of this section;

(3) provide room and board for enrollees and their dependents and child care, to the extent practicable, for dependent children of enrollees; and

(4) provide enrollees—

(A) program activities that include both activities to sustain the operation of the center and regular Job Corps activities required under section 428; and

(B) the benefits and services given to any other enrollee under this part.

(b) Each Job Corps center providing services and facilities to homeless individuals under this section shall provide such services and facilities under a project agreement with one or more State or local agencies that—

(1) requires such State and local agencies to provide, in the aggregate, not less than 50 percent of the cost of such services and facilities;

(2) contains provisions to ensure that enrollees and their families are effectively assisted in obtaining all necessary health, education, and social services provided by existing Federal, State, and local programs in such State or locality;

(3) require such State and local agencies to provide such transitional assistance, including housing, necessary to effect successful job placements for enrollees; and

(4) contains or is accompanied by such other information and assurances as the Secretary may require.

(c) To become an enrollee in the Job Corps at a center established providing services and facilities to homeless individuals under this section, an individual—

(1) shall qualify as a homeless individual under section 103 of the Stewart B. McKinney Homeless Assistance Act;

(2) may be over the maximum age permitted by section 423(1), but shall have not attained the age of 25 at the time of enrollment; and

(3) shall meet the requirements of paragraphs (2) through (5) of section 423.

(d) The Secretary shall prescribe special screening standards under sections 424 and 425 to identify and select enrollees for purposes of this section.

(e) The Secretary shall, pursuant to section 454, conduct evaluations of the centers providing services and facilities to homeless individuals under this section. The Secretary shall submit to the Congress a report on the results of such evaluations, together with the

Secretary's recommendations concerning such centers, not later than 3 years after the date of enactment of this section.

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SPECIAL PROVISIONS

SEC. 437. (a) * * *

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(d) Notwithstanding the provisions of section 164(k)(1), the Secretary shall provide all nonprofit Job Corps contractors with an equitable and negotiated managmenet fee of not less than one percent of the contract amount.

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PART D—NATIONAL ACTIVITIES

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RESEARCH AND DEMONSTRATION

SEC. 452. (a) * * *

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(c) OFFENDER DEMONSTRATION PROJECTS.—

(1) AWARD.—The Secretary shall award not more than 10 grants to service delivery areas under this title for the establishment and operation of juvenile offender demonstration projects.

(2) PRIORITY TO AREAS WITH HIGH PROPORTION OF JUVENILE OFFENDERS.—In awarding funds under this subsection, the Secretary shall give priority to service delivery areas serving demonstration target areas with high proportions of juvenile offenders.

(3) COUNSELING AND SUPERVISION.—Any demonstration program funded under this subsection shall—

(A) incorporate an alcohol and drug abuse counseling program; and

(B) provide close supervision and counseling and follow-up to each participant by qualified personnel from the time of the participant's enrollment until 6 months after the participant's enrollment has ended.

(4) MINIMUM DURATION.—Any demonstration program funded under this subsection should provide no fewer than 6 months of service to participants.

(5) ELIGIBILITY FOR SERVICES.—Enrollment in projects under this subsection shall be made available to youth who have been referred to service providers by schools, youth commissions, the courts (preadjudication), and after care programs (post detention).

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this subsection, $1,000,000 for each of the fiscal years 1991 and 1992.

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TRAINING AND TECHNICAL ASSISTANCE

SEC. 455. (a) The Secretary, in consultation with appropriate officials, shall provide directly or through grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive, supervisory, or other personnel, including job skills teachers, and appropriate technical assistance (including technical assistance to training programs for housing for migrant and seasonal farmworkers) with respect to programs under this Act, including the development and attainment of performance goals. Such activities may include the utilization of training and technical assistance capabilities which exist at the State and service delivery area level.

[(b) The Secretary shall establish a national clearinghouse to disseminate materials and information gained from exemplary program experience which may be of use in the innovation or improvement of other programs conducted pursuant to this Act.]

(b)(1) The Secretary shall provide guidance and technical assistance to States and service delivery areas relating to the documentation required to verify the eligibility of participants under parts A, B, and C of title II of this Act as amended by the Job Training Partnership Amendments of 1990.

(2) The guidance provided pursuant to paragraph (1), while maintaining program integrity, shall—

(A) limit the documentation burden to the minimum necessary to adequately verify eligibility, and

(B) ensure, to the extent practicable, that the documentation requirements shall not discourage the participation of eligible individuals.

(3) The guidance described in paragraph (1) shall be provided not later than July 1, 1991.

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DEMONSTRATION PROGRAMS

SEC. 457. (a)(1) From funds available under this part for each of the fiscal years 1990, 1991, 1992, and 1993, the Secretary shall use $1,500,000 in each such fiscal year to make grants to States to develop demonstration and exemplary programs to train and place women in nontraditional employment.

(2) The Secretary may award no more than 6 grants in each fiscal year.

(b) In awarding grants pursuant to subsection (a), the Secretary shall consider—

(1) the level of coordination between the Job Training Partnership Act and other resources available for training women in nontraditional employment;

(2) the extent of private sector involvement in the development and implementation of training programs under the Job Training Partnership Act;

(3) the extent to which the initiatives proposed by a State supplement or build upon existing efforts in a State to train and place women in nontraditional employment;

(4) whether the proposed grant amount is sufficient to accomplish measurable goals;

(5 the extent to which a State is prepared to disseminate information on its demonstration training programs; and

(6) the extent to which a State is prepared to produce materials that allow for replication of such State's demonstration training programs.

(c)(1) Each State receiving financial assistance pursuant to this section may use such funds to—

(A) award grants to service providers in the State to train and otherwise prepare women for nontraditional employment;

(B) award grants to service delivery areas that plan and demonstrate the ability to train, place, and retain women in nontraditional employment; and

(C) award grants to service delivery areas on the basis of exceptional performance in training, placing, and retaining women in nontraditional employment.

(2) Each State receiving financial assistance pursuant to subsection (c)(1)(A) may only award grants to—

(A) community based organizations,

(B) educational institutions, or

(C) other service providers,

that have demonstrated success in occupational skills training.

(3) Each State receiving financial assistance under this section shall ensure, to the extent possible, that grants are awarded for training, placing, and retaining women in growth occupations with increased wage potential.

(4) Each State receiving financial assistance pursuant to subsection (c)(1)(B) or (c)(1)(C) may award grants to service delivery areas that have demonstrated ability or exceptional performance in training, placing, and retaining women in nontraditional employment that is not attributable or related to the activities of any service provider awarded funds under subsection (c)(1)(A).

(d) In any fiscal year in which a State receives a grant pursuant to this section such State may retain an amount not to exceed 10 percent of such grant to—

(1) pay administrative costs,

(2) facilitate the coordination of statewide approaches to training and placing women in nontraditional employment, or

(3) provide technical assistance to service providers.

(e) The Secretary shall provide for evaluation of the demonstration programs carried out pursuant to this section, including evaluation of the demonstration programs' effectiveness in—

(1) preparing women for nontraditional employment, and

(2) developing and replicating approaches to train and place women in nontraditional employment.

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PART E—LABOR MARKET INFORMATION

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COOPERATIVE LABOR MARKET INFORMATION PROGRAM

SEC. 462. (a) * * *

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(g)(1) The Bureau of Labor Statistics shall engage in research, demonstration, or other activities, including those which might be carried out by States, designed to determine the feasibility of various methods of organizing and making accessible nationwide information on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom such information is collected by the States, and/or to demonstrate the policy research and program evaluation applications of such information

(2) In cooperation with the States, the Bureau shall determine appropriate procedures for establishing and maintaining such information in a longitudinal manner and appropriate policies for making such information available for policy research or program evaluation purposes or both, while ensuring the confidentiality of information and the privacy of individuals.

(3) The Secretary of Labor shall make a report to Congress not later than 12 months after the enactment of this Act which shall describe the costs and benefits, including savings on program followup surveys, of such a database and the steps that have been taken and the schedule for any remaining steps necessary to implement the provisions of this section.

SPECIAL FEDERAL RESPONSIBILITIES

SEC. 463. (a) The Secretary, in cooperation with the Secretary of Commerce, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Education, *the Secretary of Health and Human Services* and the Director of the Office of Management and Budget, through the National Occupational Information Coordinating Committee established under section 422 of the Carl D. Perkins Vocational Education Act, shall—

(1) * * *

* * * * * * *

(d) The Secretary, acting through the National Occupational Information Coordinating Committee, shall report to Congress no later than 24 months after the date of enactment of this subsection, and biennially thereafter, listing recommended common and complementary data elements and their definitions, containing an analysis of the benefits of their adoption and the implications for State and local purposes, and identifying plans and schedules for developing and maintaining this common core of data. The Secretary shall consult with experts and practitioners at the Federal, State, and local levels in the various program areas in fulfilling the requirements of this subsection.

NATIONAL OCCUPATIONAL INFORMATION COORDINATION COMMITTEE

SEC. 464. (a)(1) Of the amounts available for this part for each fiscal year, not [more than $5,000,000 is authorized to be reserved] *less than $6,000,000 will be available* for the National Oc-

cupational Information Coordination Committee (established pursuant to section 422 of the Carl D. Perkins Vocational Education Act).

(2) In addition to the members required by such Act, the Committee shall include the Assistant Secretary of Commerce for Economic Development and the Assistant Secretary of Defense [for Manpower, Reserve Affairs, and Logistics] *Force Management and Personnel*.

* * * * * * *

(b) In addition to its responsibilities under the Carl D. Perkins Vocational Education Act, the National Occupational Information Coordinating Committee shall—

(1) carry out the provisions of section 463;

(2) give special attention to *carreer development and* the labor market information needs of youth and adults, including activities such as (A) assisting and encouraging States to adopt methods of translating national occupational outlook information into State and local terms; (B) assisting and encouraging the development of State occupational information systems, including career information delivery systems and the provision of technical assistance for programs of on-line computer systems and other facilities to provide career information at sites such as local schools, public employment service offices, and job training programs authorized under this Act; (C) in cooperation with educational agencies and institutions, encouraging programs providing career information, counseling, and employment services for postsecondary youth; and (D) in cooperation with State and local correctional agencies, encouraging programs of counseling and employment services for youth and adults in correctional institutions;

* * * * * * *

(5) conduct research and demonstration projects designed to improve any aspect of occupational and career information systems *and coordination and compatibility of human resources data systems operated by Federal agencies or the States or both including systems to assist economic development activities and where appropriate provide support to States in the implementation of such system enhancements.*

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PART H—TRAINING INSTITUTES

INSTITUTES AUTHORIZED

SEC. 486. (a) ESTABLISHMENT.—The Secretary shall establish, before July 1, 1991, a national training institute which develops a network of a minimum of two regional training institutes in order to strengthen the caliber of services provided through and management of the various Federal, State, and local employment and training programs including programs not authorized under this Act. To initiate and maintain this network, the Secretary may, on a competitive basis, award a grant or contract for a national training institute to a college or university, private nonprofit organization,

community based organization, or another organization with current and specialized employment and training expertise. The Secretary shall ensure that this national institute and network of regional institutes shall—

(1) develop curricula and provide appropriate training, technical assistance, staff development, and other activities at the national and regional institutes and at other locations which will—

(A) enhance the skills, knowledge, and expertise of the personnel who staff employment and training and other closely related human service systems, including service providers, and

(B) improve the quality of services provided to individuals served under this Act and other Federal employment and training programs and encourage integrated service delivery from multiple Acts using, where possible, cross trained teams;

(C) improve the planning, procurement and contracting practices pursuant to this Act;

(D) provide broad human services policy and planning training to private industry council volunteers and members of State human investment coordinating councils;

(2) prepare and disseminate training curricula and materials for employment and training professionals and support staff which focus on enhancing staff competencies and professionalism, including instruction on the administrative requirements of this Act, such as procurement and contracting standards and regulations;

(3) disseminate innovative and successful models, materials, methods, and program information and provide training in the techniques learned from those sources to foster improved program quality and professional growth among managers, service delivery providers and administrators involved in the delivery of employment and training services; and

(4) establish an institute board of directors which shall be broadly representative of the employment and training and other related human service systems and which shall establish institute policy and priorities, review institute performance, enhance the effectiveness and efficiency of institute operations and identify those human service strategies which require further research and demonstration and make recommendations to the Secretary for annual research and demonstration activities.

(b) CHARGES.—The training institutes established pursuant to subsection (a) may charge appropriate tuition or fees to offset the costs of various institute training, materials acquisition, or information dissemination.

(c) ASSISTANCE.—The Secretary shall provide guidance, technical assistance, and direction to the training institute network to ensure that training institutes respond to employment and training staff needs, furnish high quality training and materials, meet program objectives without duplication, and encourage the use of the latest technologies for training and program management.

(d) CLEARINGHOUSE.—The Secretary is authorized to designate the National Training Institute as the clearinghouse to regularly identi-

fy, develop, and disseminate innovative materials which enhance the knowledge and quality of performance of employment and training personnel and which will—

(1) facilitate effective communications and coordination among employment and training personnel;

(2) establish a computer communications network to share information among employment and training personnel and institutions; and

(3) establish linkages with existing human resources clearinghouses, including (but not limited to) the Education Research Information Centers and the National Network for Curriculum Coordination in Vocational and Technical Education.

(e) CONSULTATION.—The Secretary shall consult with the Secretaries of Education and Health and Human Services, as appropriate, to coordinate the activities of the network of training institutes with other relevant institutes, centers, laboratories, clearinghouses, or dissemination networks.

PART I—YOUTH OPPORTUNITIES UNLIMITED PROGRAM

STATEMENT OF PURPOSE

SEC. 491. The purposes of the Youth Opportunities Unlimited program under this part are—

(1) to guarantee access to education and job training assistance for youth residing in high-poverty areas of urban and rural communities;

(2) to provide a comprehensive range of education, training, and employment services to disadvantaged youth who are not currently served or are underserved by Federal education and job training progams;

(3) to enable communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within those communities; and

(4) to facilitate the coordination of comprehensive services to disadvantaged youth in such communities.

PROGRAM AUTHORIZED

SEC. 492. (a) PROGRAM ESTABLISHED.—The Secretary is authorized to establish a national program of Youth Opportunities Unlimited grants to pay the Federal share of providing comprehensive services to youth living in high poverty areas in the Nation's urban and rural communities.

(b) AWARDS.—(1) The Secretary may only award grants under this part to the service delivery area (on behalf of the participating community) in which the target area is located, to the grantee designated under section 401 if the target area is located on an Indian reservation or Alaskan native village, or to the grantee designated under section 402 if the target area is located in a farmworker community.

(2) In awarding grants under this part, the Secretary shall, to the extent practicable, assure that there is an equitable distribution of grants between urban and rural communities.

(3) The Secretary may award not more than 25 grants in the first year after the program is in effect.

(4) The Secretary shall award annually at least 1, but not more than 3, grants under this part (A) among grantees designated under section 401 representing Indian reservations and Alaskan native villages, and (B) among grantees designated under section 402 representing farmworkers.

(c) GRANT TERM.—Grants awarded under this part shall be for a 3-year period, with funding for the second and third fiscal years in this period conditioned upon a determination by the Secretary that the grant recipient has complied with conditions of the grant during the previous fiscal year.

(d) AWARD CRITERIA.—In awarding grants under this part, the Secretary shall consider the likelihood of successful implementation, the extent of which other Federal and non-Federal funds available for similar purposes in the community will be utilized as part of the project, and the extent to which new State, local, or private resources will be made available to carry out the project. The Secretary shall give priority to applications which designate target areas with the highest rates of poverty.

PROGRAM REQUIREMENTS

SEC. 493. (a) PROGRAM OF COMPREHENSIVE SERVICES.—A participating community shall use a grant awarded under this part for a program of comprehensive services for youth that meets the requirements of this section.

(b) TARGET AREA.—A target area shall be designated which shall have a population of not more than 25,000, except that in the event that the population of an area within a single school district exceeds this limit the target area may encompass the entire district.

(c) ALL YOUTH TO BE ELIGIBLE.—All youth who have attained age 14 but not attained age 22 at the time of enrollment and who reside in the target area shall be eligible to participate in programs and activities assisted under this part.

(d) INTEGRATED SERVICE DELIVERY SYSTEM.—Each participating community shall develop an integrated service delivery system in each target area which shall include, at a minimum—

(1) a system of common intake, individualized assessment, and case management;

(2) educational activities (combined with training as needed) to meet the needs of participants, which may include—

(A) basic skills instruction and remedial education;

(B) bilingual education for individuals with limited English proficiency; and

(C) secondary educational activities designed to lead to the attainment of a high school diploma or its equivalent;

(3) job skills training;

(4) job readiness activities to help prepare participants for work;

(5) job development and job placement; and

(6) support services necessary for successful participation by eligible youths, including but not limited to child care, transportation, and assistance in resolving personal or family crises such as those related to substance abuse, homelessness, migration, and family violence.

(e) EDUCATION REQUIRED.—Except in the event that an individual already has obtained a high school diploma or its equivalent and the basic academic skills necessary for successful participation in the labor market, programs assisted under this part shall include educational services as one component of the activities in which a participating youth is enrolled.

(f) OUTREACH AND RECRUITMENT.—Each community shall undertake outreach and recruitment efforts in the target area to encourage, to the maximum extent possible, participation by those disadvantaged youth who are currently unserved or underserved by education and training programs. Such efforts shall include targeted measures specifically designed to enlist the participation of young minority males and youth under the jurisdication of the child welfare, juvenile justice, and criminal justice systems.

(g) YOUTH PROGRAM MODELS.—Each community shall offer education, training, and supportive activities selected from a set of youth program models designated by the Secretary or from alternative models described in the application and approved by the Secretary, such as—

(1) nonresidential learning centers,

(2) alternative schools,

(3) combined summer remediation, work experience and work readiness training, and school-to-work/apprenticeship/postsecondary education programs,

(4) teen parent programs,

(5) special programs run by community colleges,

(6) youth centers,

(7) initiatives aimed at increasing rural student enrollment in postsecondary institutions,

(8) public-private collaborations to assure private sector employment and continued learning opportunities for youth; and

(9) initiatives that combine community and youth service opportunities with education and training activities.

(h) MEASURABLE GOALS AND OUTCOMES.—Each community shall establish measurable goals and outcomes for activities assisted under this part which shall include, at a minimum, increasing—

(1) the proportion of eligible youth participating in education, training, and employment services;

(2) the basic skill levels of participating youth;

(3) the proportion of participating youth completing high school or its equivalent;

(4) the proportion of participating youth enrolled in postsecondary institutions, apprenticeships, or other advanced training programs; and

(5) the proportion of participating youth who obtain employment.

(i) FISCAL REQUIREMENTS.—(1) Each community shall maintain State and local resources for education, training, and related support services in the target area at levels not less than those available for such purposes prior to the receipts of a grant under this part.

(2) Funds received under this part shall be used by each community only to supplement and not to supplant funds provided from

other Federal and non-Federal sources for education, training, and related support services available to youth in the target area.

(j) LIMITATIONS.—(1) No funds provided under this part shall be used for tuition and fees related to enrollment in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education.

(2) Nothing in this subsection shall be interpreted to prohibit programs receiving assistance under this part from assisting youth in identifying sources of student financial assistance, disseminating information about such assistance, otherwise encouraging and facilitating enrollment by youth in the target area at institutions of higher education, or providing necessary support services to youth in the target area who are enrolled at such institutions.

(3) No funds provided under this part shall be used to support paid work experience programs unless such programs are combined with other education and training activities.

APPLICATION

SEC. 494. Each participating community desiring a gant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) include a comprehensive plan for meeting the goals and requirements of this part;

(2) describe the resources available in the participating community from private, local government, State and Federal sources which will be utilized in providing services to participating youth;

(3) provide assurances that such resources will be utilized to the maximum extend feasible to meet the needs of participating youth, and that funds provided under this part will be used only to pay the costs of services not otherwise available within the community;

(4) set forth an estimate of the number of youth expected to participate and the funds required to provide appropriate education, training, and supportive services to them; and

(5) provide evidence of support for accomplishing the stated goals of the participating community (through a memorandum of understanding, establishment of an advisory council, or through other means) from—

(A) local elected officials,
(B) the local school board,
(C) applicable private industry council,
(D) local community leaders,
(E) business,
(F) labor organizations, and
(G) other appropriate organizations.

PAYMENT; FEDERAL SHARE

SEC. 495. (a) PAYMENTS.—The Secretary shall pay to each participating community the Federal share of the costs of the activities described in the application.

(b) FEDERAL SHARE.—The Federal share of each fiscal year a participating community receives assistance under this part shall be 50 percent.

(c) LOAN SHARE.—Each participating community may provide its share of the costs from private, local, State, or Federal sources other than funds received pursuant to this part.

FEDERAL RESPONSIBILITIES

SEC. 496. (a) TECHNICAL ASSISTANCE.—(1) The Secretary shall provide technical assistance to participating communities to help them develop and deliver comprehensive services in an effective manner and to otherwise meet the requirements of this part.

(2) The Secretary may also provide technical assistance to communities to help them prepare applications for grants under this part when such assistance is necessary to ensure that those communities with the highest concentrations of poverty are able to participate in the program established under this part.

(3) The Secretary may reserve 5 percent of the amount appropriated under this part to carry out the provisions of this subsection.

(b) REPORTING.—The Secretary is authorized to establish such reporting procedures as may be necessary to carry out the the purposes of this part.

(c) INDEPENDENT EVALUATION.—The Secretary shall provide for a thorough, independent evaluation of the activities assisted under this part. Such evaluation shall include an assessment of—

(1) the impact on youth residing in target areas, including (but not limited to) their rates of school completion, enrollment in advanced education or training, and employment;

(2) the extent to which participating communities fulfilled the goal of guaranteeing access to appropriate education, training, and supportive services to all eligible youth residing in target areas who seek to participate;

(3) the effectiveness of guaranteed access to comprehensive services combined with outreach and recruitment efforts in enlisting the participation of previously unserved or underserved youth residing in target areas; and

(4) the effectiveness of efforts to integrate service delivery in target areas, including (but not limited to) systems of common intake, assessment, and case management.

(d) EVALUATION REPORT.—The Secretary shall develop a report detailing the results of the independent evaluation and submit such report to the President and the Congress no later than March 31, 1995, along with an analysis of expenditures made, results achieved, and problems in the operations and coordination of programs funded under this part. Such report should summarize findings concerning—

(1) whether, if a combination of education, training, career guidance, counseling, and other support services were made to youth living in designated geographic target areas, the rates of student enrollment, retention, and completion would increase;

(2) the extent to which current programs are sufficient in number, variety, and quality to meet demand; and

(3) the feasibility of exten[illegible]ccess to comprehensive education, training and support services and programs required under this part to all areas of the Nation, including possible approaches to the incremental extention of such access over time.

DEFINITIONS

SEC. 497. For the purposes of this part:

(1) The term "participating community" means the city or cities in a Metropolitan Statistical Area, the contiguous nonmetropolitan counties in any rural area, an Indian reservation or Alaskan native village, or farmworker community that includes the target area for the Youth Opportunities Unlimited program.

(2) The term "high poverty area" means an urban census tract, a nonmetropolitan county, an Indian reservation, an Alaskan native village, or a farmworker community with a poverty rate of 30 percent or more as determined by the Bureau of the Census.

(3) The term "target area" means a high poverty area or set of contiguous poverty areas that will be the focus of the program in each participating community.

PART J—DISASTER RELIEF EMPLOYMENT ASSISTANCE

SEC. 499A. GENERAL AUTHORITY.

(a) QUALIFICATION FOR FUNDS.—Funds available under this part shall be allocated in a timely manner by the Secretary to the Governor of any State within which is located an area which has suffered a major disaster as defined in section 102(1) and (2) of the Disaster Relief Act of 1974 (42 U.S.C. 5122(1) and (2)), referred in this part as the "disaster area".

(b) SUBSTATE ALLOCATION.—Not less than 80 percent of the funds made available to any Governor under subsection (a) shall be allocated by the Governor to units of general local government located, in whole or in part, within such disaster areas. The remainder of such funds may be reserved by the Governor for use, in concert with State agencies, in cleanup, rescue, repair, renovation, and rebuilding associated with such major disaster.

(c) COORDINATION.—Funds made available under this part to Governors and units of general local government shall be expended in consultation with—

(1) agencies administering programs for disaster relief provided under the Disaster Relief Act of 1974; and

(2) the administrative entity and the private industry council under this Act in each service delivery area within which disaster employment programs will be conducted under this part.

SEC. 499B. USE OF FUNDS.

(a) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this part to any unit of general local government—

(1) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects on demolition, cleanup, repair, renovation, and reconstruction of dam-

aged and destroyed structures, facilities, and lands located within the disaster areas; and

(2) may be expended through public and private agencies and organizations engaged in such projects.

(b) ELIGIBLE PARTICIPANTS.—An individual shall be eligible to be offered disaster employment under this part if such individual is—

(1) eligible to participate or enroll, or is a participant or enrolled, under title III of this Act, other than an individual who is actively engaged in a training program; and

(2) unemployed as a consequence of the disaster.

(c) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to protect the Federal fiscal interest in funds made available under this part.

* * * * * * *

MINORITY VIEWS

The amendments to JTPA contained in H.R. 2039 represent significant improvements and fine-tuning to a program which has provided more than seven years of much needed service to our disadvantaged workers. These include the separation of adult and youth programs, the improved targeting requirements, and the comprehensive program design for participants.

As a whole, we are in agreement with the intent of these amendments, and plan to continue to work with the Committee, the Senate and the Department of Labor to produce legislation that will strengthen the effectiveness of this much needed program. However, there are provisions in the bill that could prove harmful to the overall operation of the program or divert attention from the main purposes of the legislation.

Fiscal Integrity

Over the past few months, a great deal of attention has been given to the fiscal integrity of JTPA. While we all share the objective of improved procurement and financial management practices in the JTPA program, we cannot support the application of the OMB Circulars and the Common Rule to the program. Applying the Circulars to JTPA does not address the specific problems identified with the program, imposes significant, burdensome additional requirements that have little relevance to the program, and is inconsistent with the Federal, State local administrative structure of JTPA.

A Republican amendment, which was defeated during the markup of the bill, would have addressed the fiscal control and accountability issues that have been raised. The amendment, supported by the Administration, would have ensured the implementation of sound procurement practices at the subrecipient and SDA level. It would have required the Governors to establish procurement standards which at a minimum would ensure that procurements are competitive and are conducted according to written procedures including specification of all deliverables, the basis for payment, and an analysis of the reasonableness of costs and prices, and would have prohibited any conflict of interest or excessive profits or program income.

Moreover, the amendment also would have ensured effective monitoring of compliance with procurement standards by requiring Governors to conduct onsite reviews, order prompt corrective actions where problems were found, and impose appropriate sanctions where corrective actions were not taken. In addition, the Secretary would have been required to ensure that States have adequate procurement standards and monitoring procedures and compel corrective action and impose sanctions as necessary where such standards and procedures are not sufficient. As a package

these provisions would have addressed the specific problems which have been identified without imposing the burdens associated with the Circulars.

It should be noted that the Circulars have not ensured effective fiscal management in other Federal programs. JTPA's predecessor, CETA, and other Federal programs such as those at HUD, which are covered by the Circulars have still been plagued with significant fiscal accountability problems. There is no reason to believe that application of the Circulars to JTPA would result in a different outcome.

There are obvious problems with applying the Circulars to the JTPA program. The Circulars would require a series of prior approvals from the Department of Labor for several items of cost, such as all indirect cost plans, travel by elected officials, management studies, and the purchase of equipment. Such prior approvals would inundate the JTPA system with paperwork and are not necessary to ensure that funds are properly expended. The Circulars would also preclude States from determining with costs are allowable to JTPA. While the Department of Labor has an important oversight role in this issue, it is inconsistent with the principles of JTPA to take this function away from the States.

Additionally, under the Committee bill the parts of the OMB Circulars relating to procurement would be applied to the substate level. Under other Federal programs the Circulars apply only at the State level. This approach therefore contains overly prescriptive Federal requirements which are not only inconsistent with the administrative structure of JTPA but are also contrary to the administration of other Federal programs below the State level. In contrast, the Republican amendment would have preserved the essential federalist structure of JTPA while making the necessary improvements to enhance fiscal accountability.

Further, although we understand the concern about interest income generated in the JTPA program, we have reservations about the language in the Committee reported bill addressing this issue. In attempting to address the preceived problem related to interest income, the legislation places JTPA in conflict with other Federal laws governing the accrual of interest from Federal funds. Tracking what is generally very small amounts of money will also result in excessive paperwork and accounting burdens for the programs.

Finally with respect to fiscal issues, the inclusion of language which calculates cost limitations on funds expended rather than funds available to SDAs will place unreasonable accounting burdens on the program and hinder rational budget planning. Such a provision would force SDAs to allocate administrative and support funds only after the amount expended for training was determined. To further complicate matters, an SDA could not provide funds for training related services until it knew the amount expended for administrative and support services. This discussion may appear to be circular, but it merely reflects what is in the bill.

Disaster Relief Assistance

Although the provisions regarding disaster relief employment assistance were limited to the dislocated worker program, we contin-

ue to be concerned that inclusion of public service employment in JTPA contradicts the whole emphasis of these amendments. These amendments are an attempt to provide more comprehensive services to program participants with longer term results that translate into job retention and self-sufficiency. In addition, JTPA overall has as its major focus the provision of training. By contrast, placing an individual in public service employment without education, skill training and other related services, provides only a short term solution to a more complex problem.

Program Prescriptiveness

There are several provisions in the Committee bill that we feel go too far with respect to program prescriptiveness and result in decreasing local flexibility and decision-making authority. First, allowing SDAs to encroach on the jurisdiction of other SDAs in an attempt to solve a local political problem is bad policy. Such a policy is not consistent with a formula driven program, and prevents accurate budgetary planning. Furthermore, current law already contains a provision (Sec. 141(e)) that allows SDAs to serve individuals who reside outside of their geographic boundaries on a limited basis.

Second, while we cannot disagree with the intent of the non-traditional employment section of the Committee bill, the majority of the provisions in the section will not achieve the desired result. Instead, the provisions will result in excessive planning, reporting and data collection, placing a disproportionate paperwork burden on SDAs and States without a resulting increase in participant placement in non-traditional jobs. Further, by mandating a separate authorization for non-traditional employment programs, the bill does not integrate the basic policy concerns of this section into the infrastructure of JTPA. Rather it separates them from the main line JTPA programs, as we have experienced with other set-aside programs, and diminishes the possibility that they will be become an integrated part of the overall program. Finally, on a more technical note, the non-traditional language adopted by the Committee was developed without consideration of any other proposed amendments to JTPA, including the Committee substitute, and thus contains serious drafting errors.

Education Coordination

There is widespread support for the State education and coordination grants and retention of the 8 percent set-aside for such programs. Despite this support, we believe that there are several ways in which the program can be improved. Overall, the 8 percent set-aside lacks accountability. Programs funded with 8 percent monies are not subject to performance standards or recompetition. Additionally, there is no opportunity to reevaluate or redirect the focus of the program on a periodic basis.

Education has taken on a broader perspective in the context of employment training programs and the structure of the current law does not provide sufficient flexibility to accommodate this change. We are hopeful that in conference on this bill, we will be able to include changes to this program that will not lessen its ties to education, but rather improve its ability to address the increas-

ing challenges that must be faced in preparing disadvantaged individuals for the work place.

Conclusion

Notwithstanding these concerns, we are hopeful that these issues and others that form the difference between the House and Senate bills can be adequately resolved so that the bill that is sent to the President will achieve what we are all seeking—an improved training system that is sensitive to the complex and comprehensive needs of our disadvantaged youth and adults and that better prepares them to obtain and retain employment. We will continue to work toward achieving the changes we have suggested and reaching our overall goal.

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INDIVIDUAL VIEW OF CONGRESSMAN GEORGE MILLER ON THE "JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1989"

I am gratified that the Committee adopted as part of the Job Training Partnership Act (JPTA) Amendments of 1989" the Non-Traditional Employment of Women (NEW) Act, a bill which I introduced and which was endorsed by numerous public interest and advocacy organizations.

The purpose of the NEW Act is to remedy inequities for women in JTPA programs by increasing training opportunities and awareness of opportunities for women in nontraditional fields of work. *In no way will the NEW Act discriminate against men or eliminate men who are otherwise eligible for the same training programs.* This is remedial legislation, clearly consistent with the policies and purposes of JTPA.

Despite current JTPA language which requires that "efforts be made to develop programs which contribute to the occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex," occupational segregation of the sexes remains a fact of American life.

Women continue to face many inequities in the workplace. Women still earn less than 70 percent of what men earn. One of the reasons for this persistent wage gap is that men and women work at different types of jobs.

However unintentionally, Federal job training programs have contributed to the problem. Studies conducted at the State and local level have shown that men and women seeking assistance under JTPA end up in traditionally male and female fields of work respectively. This is confirmed by the limited information available at the national level. There is a dramatic difference in future earning potential between what JTPA programs seem to regard as men's and women's work.

For example, a 1985 study in Chicago found that 91 percent of the participants in word-processing courses under JTPA were female; 87 percent of the participants in electronics courses were male. The median hourly wage for word processing operators in the Chicago area is $9.40 per hour; the corresponding wage for electronics technicians is $15.30. Likewise, 89 percent of the participants in clerk-typist courses were female; 86 percent of the participants in truck driving courses were male. The mean wage for typists is $7.01, but truck drivers earn more than double, at $15.08 per hour.

Despite the fact that women comprise over half of JTPA program participants, it is clear that the outcomes for women under

JTPA have not been equitable. This is a short-coming in JTPA which Congress can and should do something about.

The NEW Act requires service delivery areas and States to include goals in their annual job training plans for training and placing women in nontraditional employment. It creates a 4-year demonstration program out of existing funds at a cost of $1.5 million annually, to foster the development and institutionalization of programs to train women for nontraditional employment.

This is modest legislation, but it is much needed legislation. The NEW Act will provide for greater opportunities for women to receive training and placement in construction, electronics, and other nontraditional fields of work where the rates of pay are substantially higher.

GEO. MILLER.

ADDITIONAL VIEWS

We support amending the Job Training Partnership Act, and are pleased the Committee on Education and Labor has reported out H.R. 2039 to amend the Act. In many ways H.R. 2039 offers needed improvements to the JTPA, but in one respect we believe the legislation must be improved to correct a serious problem with JTPA as currently enacted.

In allocating funds for participation in Title II program, current law requires that a least 90% of the participants prove that they are income-eligible for the programs. Up to 10% of the participants need not prove income eligibility if they have an additional barrier to successful employment. Such barriers include limited English proficiency, illiteracy, dropping out from school, disability, homelessness, or history of substance abuse. H.R. 2039 will amend current law to divide Title II programs into three parts—adult, summer youth, and year-round youth—while retaining the 90% income-eligibility requirement for the adult and year-round parts. An additional 50% of the participant in those two parts will have to demonstrate the existence of another barrier in addition to proving income eligibility.

Our concern is that H.R. 2039 fails to address a problem which severely disadvantaged youth are now experiencing: many of these young people are unable to prove income eligibility, although they are poor and significantly disadvantaged. High school dropouts who have run away from home, or who are abused by their parents, or whose parents are substance abusers, may not be able to demonstrate income eligibility based on their parents' financial status simply because their parents won't fill out the form or provide the needed information. In a recent report by the National Commission on Employment Policy, "Training Hispanics; Implication for the JTPA system," it was found that because of the Hispanic father's position of authority in the family it is very difficult for a child to ask how much he earns and for proof of his earnings. The study noted that similar problems occur in Asian-American families.

The law says that a youth unable to prove income eligibility is eligible to be served under the 10% window if the youth can demonstrate another barrier. In the real world, however, PICs and SDAs don't use the 10% window to serve people who are meant to be served under it; rather they use it as a safety net for possible errors in income verification. During full committee markup of H.R. 2039, an amendment was offered that would have expanded the window, for year-round youth programs only, to 25%. This was one attempt to structure JTPA Title II fund allocations so that a homeless high school dropout or other demonstrably needy young person is not denied access to job training services solely because family income cannot be verified. The amendment was not accepted, but we hope that prior to house passage of H.R. 2039 a legisla-

tive solution to this very serious problem will be crafted, and plan to work to draft such an amendment.

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CARL C. PERKINS.